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CROWN VAN GELDER

ANNUAL REPORT 2010

CROWN VAN GELDER N.V.

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ANNUAL REPORT 2010

CROWN VAN GELDER N.V.

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'Parade of Sail' in August 2010.

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COMPANY PROFILE

Crown Van Gelder N.V. manufactures and sells high-quality specialty products in the woodfree uncoated and single-coated paper sector. Based in Velsen, The Netherlands, the company currently employs around 290 staff.
The company operates two paper machines and its product portfolio consists of a range of specialty paper grades for transactional print, envelopes and other stationery, direct mail, books and manuals, packaging materials and tailor-made face and base paper customer solutions, like base papers for self-adhesive materials and direct thermal printing. Our products range from 50 to 270 gsm and are mainly distributed in Western Europe. Crown Van Gelder N.V. is listed on NYSE Euronext Amsterdam (ISIN number: NL0000345452). The company is registered with the Chamber of Commerce under number 34059938.

VISION

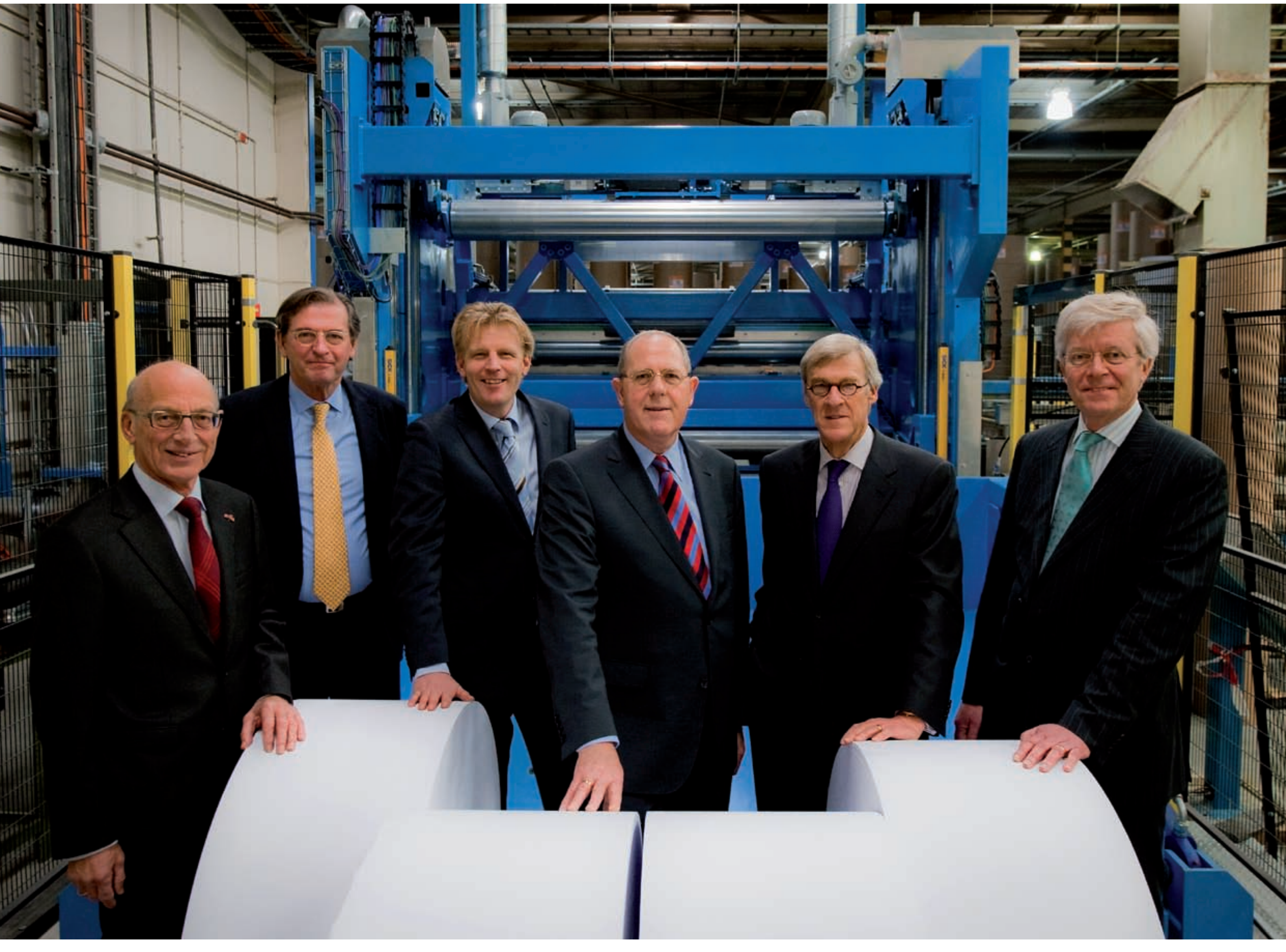
• Crown Van Gelder wishes to be known as a reliable supplier of quality products in the segment of woodfree uncoated and single-coated paper.
• Crown Van Gelder aims to add value for its customers and shareholders.
• Crown Van Gelder strives to be an attractive company to its employees.

We uphold the following guiding principles:
• continuity of the paper mill in Velsen;
• continuous improvements in quality and efficiency;
• attractive dividend payments to shareholders;
• proper and transparent corporate governance for all our stakeholders within the framework set by law and covenants;
• attractive employment terms and working conditions;
• corporate social responsibility and sustainable operations.

KEY FIGURES

EUR x 1,000	*2010*	*2009*	*2008*	*2007*	*2006*
Revenue	160,882	144,669	160,780	163,218	150,793
Operating result[1]	(2,830)	5,372	(2,081)	2,681	2,381
Net result[2]	(12,909)	4,520	(14,921)	2,190	2,241
Depreciation	8,225	8,275	9,773	9,755	9,659
Capital expenditure	5,091	5,973	6,284	3,033	4,058
Sales (ton)	208,800	198,200	212,200	218,600	208,800
Production (ton)	207,700	197,800	213,300	220,500	212,500
Workforce (average)	309	301	291	284	286
Number of depository receipts of shares at year-end	4,356,005	4,356,005	4,356,005	4,356,005	4,356,005

[1] *2008 and 2010 operating result excluding impairment charge.*
[2] *Net result as reported here is the net annual result available to Crown Van Gelder shareholders, as shown in the consolidated income statement.*



The Management Board and the Supervisory Board from left to right:
Klaas Schaafsma, Emile Bakker, Miklas Dronkers (COO), Mees Hartvelt (CEO), Berry Bemelmans (Chairman), Han Wagter

REPORT OF THE SUPERVISORY BOARD

INTRODUCTION AND PROFIT DISTRIBUTION

We hereby present Crown Van Gelder N.V.'s financial statements for 2010, and recommend that the shareholders adopt the financial statements at their Annual General Meeting (AGM). The financial statements have been prepared by the Management Board and audited by Ernst & Young Accountants LLP.

The Supervisory Board has discussed the financial statements, reporting a net loss of EUR 12.8 million, with the Management Board. Given the outlook for this year, amongst other things, the Management Board proposes not to pay a dividend. We recommend that the shareholders grant the Management Board and Supervisory Board discharge from liability for the policies and supervision pursued in 2010.

COMPOSITION AND OPERATING PROCEDURE OF THE SUPERVISORY BOARD

Details of the Supervisory Board's operating procedure and distribution of responsibilities are given in its Profile and Regulations. The Profile and Regulations are available for inspection at the company's offices and can also be accessed on the company's website (www.cvg.nl). The Supervisory Board's membership composition reflects the Profile and ensures broad expertise in areas relevant to the company. Newly-appointed supervisory directors are offered an orientation programme at the start of work to introduce them to specific aspects of the company at financial, operational and strategic level. The supervisory directors confirm that they can operate independently and be critical, both individually and in their dealings with the Management Board. In its opinion, the Supervisory Board is in compliance with Best Practice III.2.1 as set out in the Dutch Corporate Governance Code (the Code). The Supervisory Board has four members. At the General Meeting of Shareholders held on 22 April 2010, Berry Bemelmans has been re-appointed as a member of the Supervisory Board.

During the year under review, the Supervisory Board met six times with the Management Board and five times without. In addition, the Supervisory Board Chairman regularly held informal talks with the Management Board. A Supervisory Board delegation also attended two Works Council meetings. These meetings provided an opportunity to share views on internal corporate affairs, operating results, economic developments in the various markets, safety in the workplace, and the company's strategy.

Among the issues discussed by the Supervisory Board were the company's strategy, operating performance and results, business risks, capital expenditure, implementation of investment plans, potential effects of the turbulence on the financial markets and the economic recession, trends in market demand and production capacity use, the development of new products, outcome of the Management Board's review of the structure and operation of the internal risk management and control systems, Management Board structure and remuneration, corporate image, management development, corporate governance, sustainability, and investor relations.

In addition, without the Management Board attending, the Supervisory Board reviewed its own performance and that of its individual members, including the frequency of attendance at Board meetings. This review was done through a performance checklist. If a supervisory director is unable to attend more than two Supervisory Board meetings, this will be stated. This was not the case in 2010.

Issues discussed during closed meetings included the Supervisory Board's desired profile and desired membership composition, its powers, and the Audit Committee's performance. These deliberations have not led to any change in the Profile or Regulations. The Supervisory Board also discussed Management Board performance, including its delivery on agreed performance indicators.

The Audit Committee consists of Supervisory Board members Wagter (Chairman) and Bakker, who were elected for their financial expertise. The Audit Committee met twice in 2010 to discuss the 2009 financial statements and 2010 half-year results, and the interpretation of IFRS standards, particularly those concerning impairment and pension accounting, as these can have a considerable impact on Crown Van Gelder's financial performance. Other topics included the company's financing, risk profile, risk management, and credit portfolio risk exposure. The Audit Committee's reports were discussed at the Supervisory Board's plenary meetings. The Audit Committee consulted with the external auditors once, without the Management Board attending.
Crown Van Gelder has no internal audit department. After conducting its annual review, the Audit Committee concluded that the company's structure and size did not justify an internal audit department. The Supervisory Board has agreed with this recommendation.

Given the limited number of Supervisory Board members and the company's transparent organisational structure, no other committees were set up to perform any sub-activities. All activities and responsibilities of subcommittees (remuneration, recruitment & selection), as defined in the Code, have been entrusted to the Supervisory Board as a whole.

The supervisory directors are paid a fixed remuneration for their activities, independent of the company's performance. Their remuneration includes no shares or options, and has been approved by the Annual General Meeting of Shareholders (AGM). If any of the supervisory directors hold any Crown Van Gelder N.V. securities, these are held as a long-term investment.

CORPORATE GOVERNANCE

At the Annual General Meeting of Shareholders in April 2010, the issue of corporate governance was raised with the shareholders. The clarification of Management Board's variable pay was also discussed. The Management Board elaborated on the company's reserve and dividend policies. The minutes of the AGM are posted on the company's website. In 2008 the Board of Stichting Administratiekantoor Crown Van Gelder (Trust Office) decided that a meeting with the holders of depository receipts was to be convened if a number of depository receipt holders representing at least 1% of the issued capital submitted a request to that effect. No such request was made in 2010. The background to this decision had been the very low turnout at two previous meetings with depository receipt holders.

In 2010 the Supervisory Board amended the rules on insider trading, adding a list of companies which it considers to be inappropriate investments. The list will be updated at least once a year. The rules have been published on the company's website.

In accordance with a resolution adopted by the AGM in 2005, the company's Articles of Association were amended and readopted on 13 July 2005. The Articles of Association can be found on the company's website.

The draft report on the shareholders' meeting was posted for comments on the company's website for three months. After expiry of this period, the report was adopted by the Supervisory Board and the final version published on the website.

The meetings with the external auditors addressed the company's results and related matters, its pension scheme, impairment calculations, risk statement, annual management letter, and ICT issues.

The external auditor attended the Supervisory Board meeting at which the conclusions of the external auditor's report on the financial statements was discussed. He also attended the Supervisory Board meeting convened to discuss the adoption of the financial statements.
The external auditor was also present at the AGM, where he, on being asked, was granted the opportunity to address the meeting.
Once every year, the Management Board and Audit Committee report to the Supervisory Board on how their relationship with the external auditor progresses, and once every four years they review the external auditor's performance.

REMUNERATION OF THE MANAGEMENT BOARD

The Management Board remuneration policy was adopted by the shareholders at the AGM in 2009 and is available on the company's website. The adjustments to Management Board remuneration made in 2010 were prompted by a HayGroup report in which pay levels were published for equivalent positions (peer group). Instructions to review the remuneration proposal were issued by, and the review findings reported to, the Supervisory Board Chairman only. Further details are given in the financial statements.

As an incentive, Management Board remuneration includes a variable pay item based on the achievement of objectives set by the Supervisory Board. As explained in Mission 2012, the contribution made to strategic and long-term targets is a key criterion. These include targets for return on equity, production volumes, new product launches, customer complaints, safety, energy consumption, and management development.

In light of the company's performance and the proposal not to pay a dividend, the Supervisory Board considers it appropriate not to award variable pay to the Management Board for the year under review.

CHANGE IN MANAGEMENT BOARD MEMBERSHIP

Mees Hartvelt (63), a Management Board member since 1999 and CEO of Crown Van Gelder since 2004, has informed the Supervisory Board that he wishes to take early retirement. The Supervisory Board has accepted his wish. In accordance with its Regulations, the Supervisory Board has reviewed and readopted the CEO profile and discussed it with the Management Board and the Works Council.
The Supervisory Board proposes to appoint Miklas Dronkers (45) as the new CEO of Crown Van Gelder, effective 12 May 2011. The Works Council has been consulted on the proposed appointment. Miklas Dronkers was previously elected to the Management Board as COO in May 2009.

The Supervisory Board very much likes to thank Mees Hartvelt for his excellent continued contribution to the company, more specifically in his role as CEO. The Supervisory Board has enjoyed working with him. It has always been a very professional performance, showing vision, excellent leadership qualities and motivating the Crown Van Gelder community to achieve the best possible results.
We wish him success in his further working life and enjoyment of his extra leisure time.

INTERNAL CORPORATE AFFAIRS

The Supervisory Board and Management Board met to discuss movements in the company's operating result, cost structure, and level of investment against the background of what were exceptional market conditions in 2010. The Supervisory Board notes that the company's response to these conditions and the ongoing strong competition in the paper industry has been satisfactory. Developing new products with high added value will continue to be a key policy challenge.
The Supervisory Board notes that, on account of permanent changes in demand, demand for paper is unlikely to recover to the level seen prior to the economic crisis. This means that the company will need to adjust its policies and cost structure.

COMPANY POLICY

The Supervisory Board supports the company's strategic policy and objectives as presented in Mission 2012. In addition to commercial, technical and logistical issues, the mission statement also deals with social and organisational matters and health and safety. The Supervisory Board fully shares the view that sustainability is the key to future product development and energy use.

FINAL NOTE

The Supervisory Board observes that although the company reported a loss for 2010, it was quick to implement cost-saving measures. The Board is confident that this is a sign that the company is flexible enough to adjust to the changing market conditions. The development of new products is expected to lead to an increase in sales volumes in 2011.

Velsen, the Netherlands, 17 March 2011

The Supervisory Board:
Berry Bemelmans, Chairman
Emile Bakker
Klaas Schaafsma
Han Wagter

Paper machines 1 and 2.

REPORT OF THE MANAGEMENT BOARD

SUMMARY

Results

Crown Van Gelder ended the 2010 financial year with a net loss of EUR 12.8 million, including an impairment charge of EUR 11.2 million. This represents a considerably worse result compared with the net profit of EUR 4.6 million achieved in 2009, despite higher production and sales levels, improvements in the product mix and a structural cost reduction. The loss was caused not only by the impairment charge, but also to a substantial extent by the existing surplus capacity in our markets, preventing the higher prices of raw materials from being passed on to customers to a sufficient extent.

The company's operating result declined from a profit of EUR 5.4 million in 2009 to a loss of EUR 17.8 million, mainly driven by the EUR 15 million impairment charge. Cash flow from operating activities fell from EUR 10.3 million in 2009 to EUR 4.4 million in 2010.
In 2010 sales increased by 10,600 ton to 208,800 ton and production increased by 9,900 ton to 207,700 ton. This approximate 5% increase in volumes was driven mainly by the economic recovery in Europe and improved sales opportunities on the European paper market, as a result of which Crown Van Gelder was able to maintain its market share on most of its geographical sales markets.

Cost of raw materials

The average NBSK USD benchmark pulp price was up 42% on 2009. Expressed in EUR, the increase was even more substantial, standing at 49%. However, developments in the price of short-fibre pulp are of greater relevance to the company. Expressed in EUR, the average price of short-fibre was up 59% on 2009. The average pulp price paid by Crown Van Gelder increased by 55% in 2010, adding EUR 29 million to its cost base.

Energy costs

Energy is a major cost item for a non-integrated paper company such as Crown Van Gelder. Overall, in 2010, energy costs remained at the level reported in the previous year.
The company has energy contracts in place that will run up to and including 2013. Prices for 2011 and 2012 have largely been locked in.

Strategy

The company will continue to focus on strengthening its position on the specialty paper market. Although the available capacity is approximately 225,000 ton a year, the production volume varies according to whether lower or higher paper weights are produced.
Taking into account various developments on our sales markets and other trends, we set out our strategy in a mission statement in early 2009, called Mission 2012. More efforts will be channelled into developing new products, and for products to be manufactured even more sustainably. The company has worked with its customers to agree on the principles underlying this goal. We remain committed to strengthening our independent market position. Many of our customers appreciate our independent stance, our focus on niche markets, and our flexibility in accommodating their specific requirements.
The development of graphic paper grades has strongly been influenced by the ongoing digitisation and the decline in the number of points of sale due to the increased consolidation of publishing and processing companies using our paper products. Over the next few years, we will accelerate the

development of new paper grades to compensate for this decline and penetrate new markets to be able to go back to producing to capacity. We do not rule out the possibility of joining forces with other manufacturers that are having to operate in similar conditions.

Outlook

Crown Van Gelder is a solid company, whose strong competitive position has proved its worth in a difficult cyclical phase. Due to the credit crisis and ensuing economic recession, we have been unable to produce to capacity. However, we remain firmly committed to developing new specialty papers. Fierce competition on the European sales markets and persisting overcapacity are likely to continue to affect the company's performance in 2011. It is unlikely that sales of graphic paper grades will move back to the levels seen prior to the economic downturn. The continued strong growth in production capacity in Asia and ensuing increases in the prices of raw materials will initially have a negative impact on profitability in 2011.

Depending on reductions in capacity in Europe and the way in which sales will develop, we may be able to raise our selling prices. Improving the company's product and market mix should lead to more added value and enable us to charge higher average prices.

The savings effort launched in 2010 will lead to a structural cost reduction by approximately EUR 4 million. Depreciation and amortisation costs will also fall driven by the recognised impairment. These savings will partly be used to pay the higher energy bill of around EUR 1.5 million.

OPERATING REVIEW

Results

Revenue increased from EUR 145 million in 2009 to EUR 161 million in 2010. Sales were up by more than 5%, from 198,200 ton in 2009 to 208,800 ton in 2010. Output was 207,700 ton in 2010, up 5% on 2009, when the company produced 197,800 ton. Total production capacity was boosted by the composition of the order portfolio and improved availability of the paper machines.

The company incurred an operating loss (excluding the impairment charge) of EUR 2.8 million in 2010, down EUR 8.2 million from the operating profit of EUR 5.4 million reported in 2009. Including the impairment charge, the operating loss came to EUR 17.8 million. At the end of 2010, 19,200 ton of finished products were in stock (2009: 20,500 ton).

Crown Van Gelder supplied 74.7 GWh of electricity to the public grid, generating EUR 4.2 million in revenues (2009: 74.8 GWh and EUR 4.9 million).

Recent developments on the financial markets have reduced the value of pension investments and have led to lower expected returns. In 2010 this led to an increase in pension liability by EUR 0.9 million to EUR 4.2 million on the company's balance sheet. However, these developments had no impact on the employer contributions paid by Crown Van Gelder under the pension scheme in 2010, and will have no such impact in 2011 either. The company is in contact with the pension insurer and trade unions on a new contract for 2012-2016, focusing on key issues such as the company's risk exposure and that of its employees and what can be regarded as acceptable costs.

REPORT OF THE MANAGEMENT BOARD

At 31 December 2010, the company's market value was lower than its net asset value. In line with IAS 36.12d, an annual impairment test was carried out. The outcome of the test prompted the company to recognise a pre-tax impairment loss of EUR 15 million on tangible fixed assets, following a pre-tax impairment loss of EUR 18.5 million in 2008. For further details we refer to the notes to the annual accounts in this report.

Market developments

The total order inflow for European manufacturers of woodfree uncoated paper (WFU) – the market where Crown Van Gelder operates – improved overall by 2% compared to 2009 (2009: -8%; 2008: -5%, 2007: -5%; 2006: +4%). In 2010 Crown Van Gelder increased its sales by more than 5% (10,500 ton) compared to 2009, whilst demand for paper in Western Europe improved by the same percentage. Accordingly, the company's market share remained stable.

Developments on the European markets provided a mixed picture in 2010. The year began with a very strong order intake, well above European production capacity, partly driven by additions to the supply chain and partly in anticipation of future price increases. This situation changed in the second half of 2010, when the order inflow fell back to last year's level. Production capacity remained at more or less the same level as seen in the second half of 2009, with surplus capacity in Europe putting pressure on prices in the second half of 2010.

Despite this very mixed picture, average prices rose by more than 6% in 2010 compared to 2009. Average selling prices were adversely affected by the change in the order book resulting from the increase in sales outside Europe to 13% of total sales volume (2009: 10%; 2008: 11%). This market traditionally has the lowest selling prices.

Again in 2010, a great deal of time was spent on implementing one of the company's key policy goals, i.e. New Business Development (NBD). To be able to absorb the contracting traditional graphics market, we believe it is vital that existing products should be replaced at the end of the product life cycle and that we expand into markets where paper-related products are increasingly used: packaging. In 2010 sales of new and improved products amounted to 52,000 ton, up 5% on 2009 but falling short of the 2010 target. The average selling price of NBD products exceeded the average price of all products.
Although we could not meet our target for 2010 due to market conditions, we are well on our way to achieving our goal of producing 80,000 ton of new products in 2012.

In 2006, in order to accelerate the successful introduction of new products, Crown Van Gelder put in place its NBD concept, into which its development operations were fully integrated. In late 2010, the company signed a contract with leading Finnish consultants Pöyry to accelerate the development of new products and markets even further. This collaboration should lead to new product/market combinations in the course of 2011.

Pulp prices

In 2010 pulp consumption in Europe rose by 7% on the previous year. Increased demand for pulp in China and other countries and problems on the supply side led to pulp suppliers raising their prices further. The Chilean earthquake in February instantly wiped out 8% of global supply, causing the market to tighten as historically low stock levels in Europe dropped even further. The market remained tight until the third quarter, when pulp prices began to decline slightly. In the second half of 2010, stock levels returned to normal whilst demand remained stable. This is also evident from shipments to Europe, which were up 17% on 2009.

The NBSK benchmark pulp price rose to USD 980 per ton in July 2010 and then fell to USD 950 at the end of December 2010, still USD 150 up on the level at year-end 2009.
Due to the volatility of the USD, the NBSK peaked at EUR 770 in June, ending the year at EUR 720, up EUR 140 on year-end 2009. At the end of December 2010, the price of short-fibre pulp stood at EUR 645 per ton, up EUR 160 on the previous year.

Earnings per share and profit appropriation

In 2010 the company posted a net loss per depository receipt of EUR 2.96 (2009: EUR 1.04 profit).
A proposal has been put to the shareholders not to pay a dividend for 2010, given the company's results, its prospects for 2011 at the beginning of this year and its investment plans, in spite of the company's solvency. Nevertheless, the average dividend pay-out over the past seven years has been 93% of net results. The company's policy is to pay an average annual cash dividend of 60% of its net profit, while aiming to prevent major fluctuations in dividend payments.

CAPITAL EXPENDITURE

In 2010 capital expenditure totalled EUR 5.1 million (2009: EUR 6.0 million), mainly consisting of replacement investments. Investments made in 2010 were funded from cash flow and existing lines of credit supplied by financial institutions. At year-end 2010, EUR 11 million worth of loans were outstanding, with the company's solvency remaining strong at 69% of the balance-sheet total (2009: 74%). The impairment charge contributed to a 3% reduction in solvency.

SUSTAINABILITY REPORT

We believe sustainability reporting will contribute to enhancing Crown Van Gelder's profile as a transparent and progressive company. We publish a concise Sustainability Report on key issues and events. It provides stakeholders with information on the progress made regarding the company's ten objectives set out in its mission statement for 2012 (Mission 2012). In addition, more detailed information on sustainability is available on the company's website, compiled according to the Global Reporting Initiative's G3 guidelines.

The 2009 report was reviewed by KPMG, at the request of the Dutch Ministry of Economic Affairs, Agriculture and Innovation, against the Transparency Benchmark for Corporate Social Responsibility (CSR) Reporting, which put the company in 15th place in the list of nearly 500 participating Dutch-based companies. This put Crown Van Gelder in third place in the league table for the manufacturing industry.

In this section, we will discuss our objectives set out in Mission 2012 which are not covered elsewhere in this report.

REPORT OF
THE MANAGEMENT BOARD

The focus on customer service and service levels continues to be an area for improvement. We are pleased to report that we achieved a considerable improvement on 2009, with a total of 2.7 complaints per 1,000 ton of products sold (2009: 4.5). The company is on the right track to achieve its target of maximum 2 complaints per 1,000 ton in 2012. Greater experience with the new ICT system and improved production efficiency both made a substantial contribution to the improvement achieved in 2010.

In the past years, the company has studied alternatives to make the company's energy supply more sustainable. The study was accompanied by the publication of a brochure on our website (www.cvg.nl). Due to the lower gas prices and the ample availability of gas in the coming years, there appear to be no economically viable opportunities that would justify making a major investment in an alternative and renewable power plant at this point in time. However, we will continue to explore the possibilities for renewable energy and keep a close watch on any new technological application. Against this backdrop, the company has already made provision to cover part of its gas requirements for the next few years.

Our target for 2012 is to procure 70% of pulp fibre from sustainably managed forests with an FSC or PEFC chain-of-custody certificate. Due to the tight situation on the market, the temporary loss of fibre capacity in Chile, and the increase in our own production, we achieved 64% in 2010 compared to 70% in 2009, when pulp fibre was in ample supply.

At Crown Van Gelder, we consider it vital that our staff is well-trained and has the required skills and expertise to be employed in a variety of positions at the company (employability). Research has shown that employees who continue to develop their skills and expertise through training or learning other job skills are likely to remain fit and healthy longer. Around 80% of our employees attended a course in 2010, and new job descriptions designed to enhance employability are now in use in different departments. Greater employability should lead to employees' skills and expertise being used more effectively in the short and long term.
Crown Van Gelder provides competency-based on-the-job training courses. These combine theory and practical skills and successful participants will receive a nationally recognised certificate, increasing their transfer value on the job market.

RESEARCH & DEVELOPMENT

Crown Van Gelder's technological department is responsible for research and development, focusing on products and processes. In terms of product development, the department usually works in close consultation with customers, original equipment manufacturers (OEMs), and suppliers to the paper industry.
In 2006, in order to accelerate the successful introduction of new products, we put in place our New Business Development (NBD) concept, into which our development operations were fully integrated. In 2010 the company sold approximately 52,000 ton of new products (2009: 49,000 ton), which clearly delivered a higher contribution. In-house projects and machine trials are scheduled into the regular production programme of both paper machines.

We are also taking part in several projects relevant to the Dutch paper industry as a whole. These mainly include projects designed to save energy in the production process. Also in 2010, the company launched a pilot project to convert a residue stream into polylactic acid, a raw material used in bioplastics. Projects carried out under the Paper Industry Energy Transition Programme are largely funded and sponsored by the Dutch government and third parties. The company incurs only minimal net costs as a result.

WORKFORCE AND EMPLOYEE BENEFITS

Workforce

At year-end 2010, the company employed 297 staff, compared to 309 staff at year-end 2009. In July 2010 the company put on a hiring freeze and, after obtaining the consent of the Works Council, shed 25 FTEs distributed among all departments. There were no forced redundancies.

Absenteeism fell from 4.7% in 2009 to 4.1% in 2010, partly as a result of managers increasing their efforts to monitor absenteeism. In 2010 there were three lost-time accidents, a deterioration compared to the previous two years. The accidents caused no serious or permanent injuries.

In consultation with the Works Council, we will pay greater attention to near-accidents, reported incidents, and accidents that do not cause incapacity. Moreover, immediate supervisors will spent more time doing safety rounds and communication on this issue will be improved.

Employee benefits

A new collective agreement came into force on 1 July 2009. It will run for a period of 24 months. The new agreement provided for an initial pay rise of 2.3% on 1 July 2010 (1.8% in July 2009), funded by the operating profit achieved in 2009; an adjustment to the one-off profit bonus, which is now based on the company's operating profit; a performance-related bonus if targets are met in terms of the manufacture of new products, complaint-related expenses, and safety; and an initial pay rise related to the company's performance. A performance-related bonus of EUR 83 for 2010 was paid to each employee in 2011 (2009: EUR 334).

Remuneration of the Management Board

The Management Board's pay package covers a fixed salary and a variable pay element of no more than 45% of the fixed salary. The variable income depends on, among other things, the return on shareholders' equity and the extent to which certain targets have been achieved. The variable income is determined by the Supervisory Board. There is no option scheme in place for the Management Board.
The level of fixed remuneration paid to the Management Board, and a clarification of variable pay for 2009, were discussed by the shareholders at their meeting in April 2010. In light of the loss reported in 2010 and the proposal to forego a dividend, the Supervisory Board decided not to grant variable pay to the Management Board for 2010.
The Management Board remuneration policy was submitted to the General Meeting of Shareholders in April 2009, and is available on the company's website on the Corporate Governance page.
Details of the various elements of the pay package of the Management Board for 2010 are given on page 59 of the Annual Report.

INVESTOR RELATIONS

At Crown Van Gelder, we attach great importance to maintaining good relationships with existing and potential investors. We regularly report on developments relevant to investors, and organise meetings twice a year with analysts, who issue reports on the issues discussed. In addition, we hold many meetings with investors and investors' groups, all of whom are welcome to visit our facilities. Our website frequently features reports on the latest developments as well as recent press releases.

We publish our financial statements in English and issue a concise report in Dutch, as well as releasing a progress report on corporate social responsibility, the Sustainability Report. The annual reports and the agenda for the General Meeting of Shareholders will be available on our website from 28 March 2011.

RISK MANAGEMENT

At Crown Van Gelder, we regard risk management as a systematic and proactive way of identifying and prioritising risks and opportunities. By continually identifying risks which pose a threat to the company's targets, we can take timely action to limit or, indeed, remove the impact of those risks.
It is equally important to identify opportunities at an early stage and put them to effective use.
Risk management also includes reviewing existing controls put in place to minimise the risks identified. These controls are recorded in the internal risk management and control system and QHSE management system.
Doing business inherently involves taking risks. In taking those risks, we are guided by the sustainable nature of our business. Risk management and control are both elements of the company's corporate governance system. This calls for a proper balance between business acumen and risk control.

Activities in 2010

In 2010 we re-identified and assessed the financial, operational, strategic, compliance and disaster risks affecting all of our major business processes, implementing measures where necessary.
We also, in 2010, reviewed all existing controls. These reviews were conducted during internal audits (20 sessions), external audits (ISO 9001, 14001 and OHSAS 18001 interim audits), and internal inspections. The internal and external audit and review findings and internal inspections were documented, reported to and, where necessary, discussed with the Management Board, the Audit Committee and the Supervisory Board.

In auditing the company's financial statements, the external auditors also prepare a report on their findings concerning the risks accounted for in those statements. These findings are discussed with the Management Board, Audit Committee, and Supervisory Board.
For the report on the internal risk management and control system ('in control statement') reference is made to the Corporate Governance chapter in this Annual Report.

Main risk areas

Strategic risks

Strategic risks are those associated with the business environment, the nature and size of our business, and the positioning of our business activities on the paper market. The company responds actively to the risks and opportunities as they arise, and we consider this response to be part of our normal business operations.

The current economic climate, strong fluctuations in commodity and energy prices, and other developments have affected the company's performance. Developments on our sales markets and those affecting our customers may influence production capacity usage and hence adversely affect the funding of fixed costs. We regularly develop scenarios to assess the potential impact of these developments on our operations, identify measures which can be taken to mitigate the impact, and establish an overall approach in dealing with these developments.

The paper industry is a global market with strong regional players. Transport costs are high and they limit the company's geographical sales opportunities. We are aware of these market developments and trends, and of our position on the geographical sales markets. Digitisation has become a major market trend affecting the paper industry. We will continue to roll out our New Business Development programme to strengthen our position as a niche player, and maintain and improve our market position. Over the last few years, paper has increasingly been replaced by digital application. This considerably raises the bar for Crown Van Gelder to achieve its target for NBD products in the coming years. We have engaged a consulting firm to investigate the possibilities of accelerating the NBD programme. We have also launched a campaign to promote the use of paper with an FSC or PEFC certificate or EU Ecolabel.

We keep abreast of technological developments by maintaining contacts with the Netherlands Competence Centre Paper and Board, suppliers of paper machines, and manufacturers of copier and printer systems, and we regularly attend seminars to be informed of the latest market surveys and developments. Our assets comprise a state-of-the-art fleet of machinery, and our investment programmes are designed to apply the latest available technology to our internal processes.

One of the uncertainties the company faces is the auctioning off of carbon emission allowances, which could start in 2013. It is unclear at the moment how this is likely to impact on the company's cost base. We will continue to investigate alternatives to meet our future needs for electricity and steam and become less dependent on natural gas, which is currently our main source of energy.

Operational risks

Commodity prices – pulp and energy prices, in particular – are major cost items. Most of our key non-integrated competitors are facing the same challenges. The Management Board is actively striving to improve purchasing terms and achieve cost-savings on the use of raw materials.

Depending on the price of pulp expected in the short term, we may decide to reduce or increase our stocks of pulp. In 2010, in order to mitigate price uncertainty and the upward price risks to some extent, we began to hedge some of our pulp purchases.

The company is also exposed to fluctuations in energy prices. To control the level of energy costs, we signed contracts to lock in part of the gas and electricity prices for the period up to and including 2013. The search for energy supply alternatives was abandoned in 2010 for lack of attractive and affordable options.

A breakdown of, or problems with, the operating systems in production or the company's combined heat and power plant could cause production processes to come to a standstill or give rise to quality issues. To analyse failures and problems, we have a standard method that we have used as a basis for introducing a variety of measures. To minimise the risks, we have signed service contracts with suppliers and implemented back-up and recovery procedures.

Quality complaints could lead to claims or damage to the company's reputation. To reduce the growth in complaints, we have tightened our quality assurance procedures, are continually measuring the quality of our products and processes both during and after production, and have put in place technical and organisational improvement measures.

Crown Van Gelder is a small player in the paper industry and its future success depends, in part, on its ability to recruit and retain both specialist technical staff and talented managers in key positions. Human resource management and succession planning are key focus areas for the Management Board.

It is our policy to ensure the health and safety of our staff as well as any third parties directly or indirectly engaged in our business activities. We are also committed to supporting sustainable business operations and controlling their direct and indirect impact on the environment.
We regularly conduct risk surveys and risk assessments of our operations. Where necessary, we take appropriate measures to ensure the health and safety of our staff and third parties, and mitigate the environmental impact of our operations.

Financial risks

Crown Van Gelder is exposed to a variety of financial risks. Due to the economic recession and financial market developments, the availability of funds and working capital constitutes a major risk. In the light of the company's capital base, expected cash flows, and flexibility of its investment programme, we believe that we have put in place appropriate measures to address this risk.

The company is also exposed to exchange rate fluctuations. Because we sell part of our products in GBP, and procure a substantial portion of our materials in USD, any decline of the GBP or strengthening of the USD against the EUR may have a negative impact on our operating performance. We partly hedge our exposure to USD and GBP currency fluctuations.

Since we operate in a niche market, we serve a small number of large customers, which may affect our revenue, profit, and working capital. As far as credit risk is concerned, we prefer to do business with reputable and creditworthy parties. Existing and prospective customers are subject to credit checks on a regular basis. All receivables are closely monitored through internal procedures. Despite the extended cover provided under our credit risk insurance policy, any insolvency of our customers may adversely affect our financial performance.

To cover these various types of risk, such as credit risk, interruptions to the production process, liability, directors' liability and transport, the company has taken out insurance from reputable insurers with a good rating.

Compliance risks

As we face rapidly changing laws on, among other things, financial reporting, health and safety and the environment, we increasingly run the risk of failing to comply with laws and regulations.
The departments responsible for compliance issues have put in place policy measures and procedures to keep track of and comply with legislative and regulatory changes.
Crown Van Gelder holds several permits to conduct its operations. We maintain close contact with the competent authorities. Environmental reports and external inspections (environmental and health & safety) have not led to any tightening of permit conditions.

Disaster risks

The company's production facilities and offices are located on the same site. Disasters such as fire and explosions could damage our production facilities and combined heat and power plant, and adversely affect our reputation and/or financial results. We have taken out insurance to mitigate the financial impact of these risks. The precautionary measures and inspections we have put in place meet the requirements of insurers and are in line with industry standards.

We are aware of other potential disaster risks, such as terrorism and pandemics. The measures and procedures designed to mitigate any damage arising from a disaster are embedded in a business continuity plan (BCP). The BCP has been reviewed by the insurance broker and the COT (Institute for Safety, Security and Crisis Management).

STRATEGY AND MARKET DEVELOPMENTS

In 2009 Crown Van Gelder published a policy plan entitled Mission 2012 for the period until 2013. The operating loss reported for 2010 includes an impairment charge of EUR 15 million. This will lead to a reduction in depreciation charges, in 2011 by around EUR 1.5 million, allowing us to adhere to our 11% ROCE target.

The credit crisis and ensuing economic recession have also had a noticeable impact on the use of paper on our sales markets. Because of the limited availability of credit, inventory levels have come under strong pressure for the majority of our customers. Sales opportunities in the printing industry, in particular, have become more limited due to widespread downsizing and because of the economic recession, which is far from over, and the transition to other advertising media, including the Internet, which also reach other target audiences. Under the assumption that it is more efficient and sustainable not to use paper, many companies and authorities are rapidly trading in paper for other means, a development which Crown Van Gelder has been expecting and has taken measures to deal with in Mission 2012.
This challenge is exacerbated by the phenomenon that integrated paper manufacturers are enjoying a comparative advantage as commodity prices continue to remain elevated, driven mainly by the rapid growth of paper manufacturing in Asian countries, where substantial investments have been made in new capacity. Given the current levels of overcapacity, European integrated paper manufacturers are in no hurry to pass on the increase in global pulp prices. Not surprisingly, they would rather use their equipment to greater capacity and charge lower prices. Consequently, these factors combined have made it difficult for Crown Van Gelder at this stage to achieve its desired level of profitability.

We nonetheless regard these developments as an incentive to channel even more efforts into developing new specialty papers and applications that are a little less sensitive to digitisation. Opportunities in terms of paper usage seem to lie in the packaging sector, which requires good-quality recyclable paper. In 2010 the company doubled its efforts to develop new concepts, which are currently being tested by customers. We have also engaged one of the world's leading consulting firms, Pöyry, to identify new opportunities and to think of ways to make newly developed products ready for market more quickly.

Expanding our customer base is one of our ongoing priorities and in 2010 we achieved further success, in spite of the pressures existing in the company's markets. The target for 2012 is well within reach. Looking ahead, we expect to accelerate this priority by focusing on and investing more in New Business Development. Given the rapid market developments, we will be developing a new strategy for 2012-2016.

PROSPECTS FOR 2011

In early 2011, conditions on Crown Van Gelder's traditional markets varied. Although the order book was reasonably good at the outset of 2011, it certainly has not fully recovered from the economic recession yet. Sales patterns have changed considerably due to the ongoing digitisation process, which has clearly had an impact on the printed media markets in particular. This is why we intend to accelerate our efforts to develop new products and markets to improve our product/market mix and reduce the share of non-European exports.
By signing new energy contracts for the period up until 2013 and partly locking in gas and electricity prices for this period, we expect energy costs to increase by about EUR 1.5 million in 2011 compared to 2010.

Pulp prices are generally expected to moderate slightly in the first four months of 2011, driven by a fall in demand and modest increase in supply. The development of the USD will continue to have a major impact on the ultimate cost of pulp. Should pulp prices fall sharply, expectations are that the pulp supply side will shrink relatively quickly as suppliers are likely to close down capacity which they had just reinstalled. This marginal capacity is associated with high production costs and only became profitable in the second quarter of 2010; it is likely to be the first to be taken off the market again. New capacity in countries south of the equator (where production costs are lowest) is not expected to become available before the end of 2012, so despite the fact that pulp prices may fall in the short term, they are likely to pick up in the second of 2011.

In 2011 we are planning to invest around EUR 7 million, which is more or less in line with the level of depreciation. Part of these funds will go towards replacing the rewinding section, putting in place measures to make our facilities safer for employees, and regular replacement investments. We will also launch a number of smaller projects to improve the production process and the quality of our paper grades.

We expect to manufacture and sell approximately 215,000 ton of paper. The cost reduction programme that was initiated mid last year, and which should lay the foundation for a recovery of results, is well on track. The total cost reduction of around EUR 4 million is expected to flow through fully in the 2011 results.
The development of results in 2011 will (among others) depend on the strength of the economic recovery, the demand for paper, selling price, pulp price and exchange rate developments.
The ultimate impact of these developments is yet uncertain. Given all these uncertainties, we are not in the position to give an outlook for the development of results in 2011.

Velsen, the Netherlands, 17 March 2011

Mees Hartvelt
Chief Executive Officer

Miklas Dronkers
Chief Operating Officer

FINANCIAL STATEMENTS 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Before profit appropriation)

EUR x 1,000	*Note*	*31 December 2010*		*31 December 2009*	
ASSETS					
Non-current assets					
Property, plant and equipment	(1)	40,158		57,898	
Intangible assets	(2)	1,685		2,078	
Investment in associate	(3)	1,342		1,272	
Other assets	(4)	2,383		2,492	
Deferred tax assets	(12)	10,134		5,394	
			55,702		**69,134**
Current assets					
Inventories	(5)	31,779		27,351	
Trade and other receivables	(6)	17,119		20,702	
Cash and cash equivalents	(7)	330		1,142	
			49,228		**49,195**
Total assets			**104,930**		**118,329**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Subscribed and paid-up capital	(8,9)	8,712		8,712	
Retained earnings	(9)	84,792		82,416	
Other reserves	(10)	(8,578)		(7,683)	
Result for the year	(9)	(12,909)		4,520	
			72,017		**87,965**
Non-controlling interests	(9)		**83**		**52**
Total equity			**72,100**		**88,017**
Non-current liabilities					
Employee benefit liability	(11)	4,238		3,306	
Deferred tax accruals	(12)	3,748		4,072	
Other non-current liabilities	(13)	636		-	
			8,622		**7,378**
Current liabilities					
Interest-bearing liabilities	(14)	10,962		9,297	
Trade creditors	(15)	7,913		8,053	
Taxation and social security contributions		249		150	
Other short-term liabilities	(16)	5,084		5,434	
			24,208		**22,934**
Total liabilities			**32,830**		**30,312**
Total equity and liabilities			**104,930**		**118,329**

CONSOLIDATED INCOME STATEMENT

EUR x 1,000	Note		2010		2009
Revenue	(17)		160,882		144,669
Costs related to revenue		(7,616)		(7,886)	
Raw materials, consumables and energy	(18)	(116,016)		(84,547)	
Change in inventories of finished goods	(19)	2,677		(1,728)	
Employee benefits cost	(20)	(21,182)		(21,705)	
Depreciation and amortisation	(21)	(8,225)		(8,275)	
Other expenses	(22)	(13,350)		(15,156)	
Total operating expenses			(163,712)		(139,297)
Operating result			**(2,830)**		**5,372**
Impairment on fixed assets	(1)		(15,000)		-
Operating result after impairment			**(17,830)**		**5,372**
Finance income		3		7	
Finance costs		(346)		(350)	
Net finance income	(28)		(343)		(343)
Share of after tax result of associate			470		391
Result before tax			**(17,703)**		**5,420**
Tax income / (expense)	(23)		4,870		(855)
Result for the year from continuing operations			**(12,833)**		**4,565**
Result for the year attributable to:					
Equity holders of the parent (net result)			(12,909)		4,520
Non-controlling interests			76		45
Result for the year from continuing operations			**(12,833)**		**4,565**
Basic earnings (in EUR) per depository receipt of share	(24)		(2.96)		1.04
Diluted earnings (in EUR) per depository receipt of share	(24)		(2.96)		1.04

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR x 1,000	*Note*		*2010*		*2009*
Result for the year from continuing operations			**(12,833)**		**4,565**
Other comprehensive income					
Net gains / (losses) on cash flow hedges	(29)	94		242	
Income tax effect		(24)		(62)	
		70		180	
Actuarial gains / (losses) in respect of pension scheme	(11)	(1,218)		(12,469)	
Asset ceiling adjustment in respect of pension scheme	(11)	-		9,353	
Income tax effect		311		795	
		(907)		(2,321)	
Movement due to change in tax-rate		(24)		-	
Other comprehensive income for the year, net of tax			**(861)**		**(2,141)**
Total comprehensive income for the year, net of tax			**(13,694)**		**2,424**
Total comprehensive income for the year attributable to:					
Equity holders of the parent			(13,770)		2,379
Non-controlling interests			76		45
Total comprehensive income for the year, net of tax			**(13,694)**		**2,424**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR x 1,000		*2010*		*2009*
Operating activities				
Operating result after impairment		(17,830)		5,372
Adjustments for:				
Impairment on fixed assets	15,000		-	
Depreciation and amortisation	8,225		8,275	
Pension accounting	25		(30)	
		23,250		8,245
Movements in working capital:				
Trade and other receivables	3,583		(1,262)	
Inventories	(4,428)		(1,712)	
Trade creditors	(140)		(2,027)	
Other items	237		1,486	
		(748)		(3,515)
		4,672		10,102
Interest paid	(308)		(444)	
Interest received	3		7	
Income taxes received / (paid)	(17)		663	
		(322)		226
Net cash flow from operating activities		**4,350**		**10,328**
Investing activities				
Investments in property, plant and equipment	(5,030)		(5,438)	
Investments in intangible assets	(61)		(535)	
Dividends received	442		487	
Disposals of tangible fixed assets	-		24	
Net cash flow (used in) / from investing activities		**(4,649)**		**(5,462)**
Financing activities				
Dividends paid	(2,178)		(2,178)	
Interest-bearing liabilities	1,665		(3,296)	
Net cash flow (used in) / from financing activities		**(513)**		**(5,474)**
Increase / (decrease) in cash and cash equivalents		**(812)**		**(608)**
Cash and cash equivalents at 1 January		**1,142**		**1,750**
Cash and cash equivalents at 31 December		**330**		**1,142**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR x 1,000	*Subscribed and paid-up capital*	*Retained earnings*	*Other reserves (note 10)*	*Result for the year*	*Total*	*Non-controlling interests*	*Total equity*
At 1 January 2009	**8,712**	**99,646**	**(5,673)**	**(14,921)**	**87,764**	**46**	**87,810**
Result for the period	-	-	-	4,520	4,520	45	4,565
Other comprehensive income / (loss)	-	-	(2,141)	-	(2,141)	-	(2,141)
Total comprehensive income	-	-	(2,141)	4,520	2,379	45	2,424
Paid dividends	-	(2,178)	-	-	(2,178)	-	(2,178)
Result appropriation	-	(14,921)	-	14,921	-	-	-
Dividends non-controlling interests	-	-	-	-	-	(39)	(39)
Other movements	-	(131)	131	-	-	-	-
At 31 December 2009	**8,712**	**82,416**	**(7,683)**	**4,520**	**87,965**	**52**	**88,017**
At 1 January 2010	**8,712**	**82,416**	**(7,683)**	**4,520**	**87,965**	**52**	**88,017**
Result for the period	-	-	-	(12,909)	(12,909)	76	(12,833)
Other comprehensive income / (loss)	-	-	(861)	-	(861)	-	(861)
Total comprehensive income	-	-	(861)	(12,909)	(13,770)	76	(13,694)
Paid dividends	-	(2,178)	-	-	(2,178)	-	(2,178)
Result appropriation	-	4,520	-	(4,520)	-	-	-
Dividends non-controlling interests	-	-	-	-	-	(45)	(45)
Other movements	-	34	(34)	-	-	-	-
At 31 December 2010	**8,712**	**84,792**	**(8,578)**	**(12,909)**	**72,017**	**83**	**72,100**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

Crown Van Gelder N.V. is a company domiciled in Velsen, the Netherlands. The company produces and sells high quality industrial and graphical specialty products in the woodfree uncoated and single-coated paper sector. The company is based in Velsen (the Netherlands) and currently employs around 290 people. The company operates two paper machines and its product portfolio consists of a range of specialty paper grades for transactional print, envelopes and other stationery, direct mail, books and manuals, packaging materials and tailor-made face and base paper customer solutions, like base papers for self-adhesive materials and direct thermal printing. Crown Van Gelder N.V. is listed at the Official Market of NYSE Euronext Amsterdam N.V. (ISIN number: NL0000345452). The Chamber of Commerce registration number of the company is 34059938.

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and adopted by the EU.

BASIS OF PREPARATION

The consolidated financial statements of Crown Van Gelder N.V. have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in euros (EUR) and all values are rounded to the nearest thousand except when otherwise indicated.

PRESENTATION OF THE COMPANY PROFIT AND LOSS ACCOUNT

The company profit and loss account is prepared under the application of article 402 Book 2 of the Dutch Civil Code.

CONSOLIDATION

Subsidiaries

These companies are all entities over which Crown Van Gelder N.V. has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. During the reporting year these subsidiaries are:

- Crown Van Gelder Energie B.V. (Velsen, The Netherlands) 100%
- Inkoopcombinatie De Eendragt B.V. (Zaandam, The Netherlands) 82%

The subsidiaries are fully consolidated in the financial statements of Crown Van Gelder N.V. Inter company transactions, balances and unrealised gains on transactions between subsidiaries are fully eliminated. Non-controlling interests in group capital and group result are shown separately.

Associates

The associates are the entities over which Crown Van Gelder N.V. has significant influence but no control over the financial and operating policies.

Crown Van Gelder N.V. has a participating interest in:

- International Forwarding Office B.V. (Zaandam, the Netherlands) 50%

IFO B.V. can not be classified as a joint venture. There is no contractual agreement whereby Crown Van Gelder N.V. and IFO B.V. undertake an economic activity that is subject to joint control.

Reference is made to note 26 concerning the related party disclosures.

CASH FLOW STATEMENT

The cash flow statement has been prepared according to the 'indirect method', based on the statement of financial position and income statement. The statement reconciles 'cash and cash equivalents' at different balance sheet dates.

ACCOUNTING POLICIES

Foreign currencies

The consolidated financial statements are presented in euros (EUR), which is the functional and presentation currency. Assets and liabilities denominated in foreign currency are translated to EUR at the rate of exchange ruling at balance sheet date. Exchange differences, if any, are recognised in the income statement. Transactions in foreign currency are accounted for in the income statement at the exchange rates prevailing at the date of transaction.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if necessary. Dismantling costs are not included as these are expected not to be of relevant size. Depreciation on assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as follows:

• Buildings	10 – 40 years
• Plant and machinery	5 – 30 years
• Other tangible fixed assets	3 – 6 years

Where an item of property, plant and equipment comprises major components having a different useful life, these components are accounted for as separate items of property, plant and equipment. Expenditures or major overhaul extending the useful life of assets are considered to be an investment.
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising on derecognising of items of property, plant and equipment are included in the income statement in the year the asset is derecognised.
The residual value, useful life and depreciation calculation of each item of property, plant and equipment is reviewed at each balance sheet date and adjusted if appropriate.

Intangible assets

Intangible assets comprise computer software. This computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over the estimated useful life of these assets. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category 'Depreciation and amortisation'.

Investment in associate

Associates, including those where the shareholding is 50%, are stated at their net asset value in line with the equity method.

Impairment of non-financial assets

Whenever there is an indication that assets may be impaired, an impairment test is performed. The company qualifies as one cash generating unit and therefore the impairment test is performed on the company as a whole. An impairment loss is recognised whenever the carrying amount of the cash generating unit exceeds its recoverable amount. The recoverable

amount is the higher of fair value less costs to sell or the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the company as a whole.
An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, an estimation is made of the asset's or cash-generating unit's recoverable amount. An impairment loss recognised in prior periods will be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Other assets

Other assets include the capitalised amount of a lease contract with the Municipality of Velsen. The capitalised amount will be allocated to the income statement during the remaining contract period using the straight-line method.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- raw materials: purchase cost on a first-in, first-out basis;
- finished goods and work-in-progress: cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Deferred tax assets and accruals

Deferred income tax relates primarily to 1) carry forward of unused tax losses and 2) future tax payable on differences between the carrying amounts of assets and liabilities for financial reporting purposes and that for corporate income tax purposes. The calculation of deferred income tax is based on applicable future tax-rates and against nominal value.
Deferred tax assets and accruals relate to temporary differences between the financial reporting valuation and tax valuation of the tangible fixed assets, employee benefit liability, stocks of finished products, debtors, hedging contracts and provisions. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilised.

Financial assets

Initial recognition

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Crown Van Gelder determines the classification of its financial assets at initial recognition. Financial assets are recognised initially at fair value.
Purchases or sales of financial assets that require delivery of assets within a time frame are recognised on the trade date, i.e. the date that Crown Van Gelder commits to purchase or sell the asset.
Crown Van Gelder's financial assets include cash and short-term deposits, trade and other receivables and derivative financial instruments. The company uses derivative financial instruments such as foreign currency contracts and commodity forward contracts to hedge its risks associated with foreign currency, energy price movements and commodity price fluctuations.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Derecognition of financial instruments
A financial asset is derecognised when:
• The right to receive cash flows from the asset has expired; or
• Crown Van Gelder has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either
(a) Crown Van Gelder has transferred substantially all the risks and rewards of the asset, or
(b) Crown Van Gelder has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Employee benefit liability
The pension scheme qualifies as a defined benefit pension plan. IAS 19 requires recognition in the statement of financial position of a defined benefit asset or liability.

Crown Van Gelder recognises actuarial gains and losses in the period in which they occur and gains and losses are recognised outside the income statement, in other comprehensive income. The actuarial gains and losses are presented in a statement of changes in equity titled 'Consolidated Statement of Comprehensive Income'. If there is a pension asset, the amount recognised should be limited, according to paragraph IAS 19.58, 58A and 58B ('asset ceiling approach'), to the present value of the economic benefit available. The consequences of the asset ceiling are recognised outside the income statement (IAS 19.61) in other comprehensive income. The asset ceiling is also presented in a statement of changes in equity titled 'Consolidated Statement of Comprehensive Income'.

Crown Van Gelder's policy is to recognise gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. A settlement occurs when the company enters into a transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined benefit plan. A curtailment occurs for example when the company amends the terms of a defined benefit plan such that a material element of future service by current employees will no longer qualify for benefits.

The employee benefits plans are insured with De Eendragt Pensioen N.V. This company administers the pension scheme for the Crown Van Gelder employees.

Financial liabilities

Initial recognition
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Crown Van Gelder determines the classification of its financial liabilities at initial recognition.
Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable

transaction costs. Crown Van Gelder's financial liabilities include trade and other payables, bank overdraft, loans and borrowings and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

Loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Derecognition of financial instruments
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial instruments

Offsetting financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments
The fair value of financial instruments, which are actively traded in organised financial markets, is determined by reference to quoted market prices.

Impairment of financial assets
Crown Van Gelder assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Examples of triggers, used for gathering objective evidence, are financial information from parties involved and / or information from business information agencies.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

Derivative financial instruments
Derivative financial instruments are carried at their fair value. Derivatives that are not designated or do not qualify for hedge accounting are measured at fair value through the income statement.

In the case of a derivative financial instrument being designated as a hedging instrument, the company documents the relationship between the hedging instrument and the hedged item as well as the company's risk management objectives and strategy for undertaking the hedge transaction. The company also documents its assessment, both at the conclusion of the hedge and on a quarterly basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

Derivatives are classified as a non-current asset or liability if the remaining term of the derivatives is more than 12 months and as a current asset or liability if the remaining term of the derivatives is less than 12 months.

For the purpose of hedge accounting, hedges are classified as cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecast transaction.

The effective part of any gain or loss on re-measurement of the hedging instrument is recognised directly in other comprehensive income. The cumulative gain or loss recognised in other comprehensive income is transferred to the income statement at the time when the hedged transaction affects net profit or loss and is included in the same line item as the hedged transaction.

When a hedging instrument expires, is sold, or is no longer effective, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecasted transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

We refer to note 27 concerning the disclosure of the financial instruments.

Revenue

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer and the amount of revenue can be measured reliably and includes total invoiced amounts, excluding VAT, less commission, bonuses and payment discounts.
Revenue of paper sales is revenue from selling high quality specialty products in the woodfree uncoated and single-coated paper sector. Supplies of energy are revenues from energy supplies by Crown Van Gelder’s power plant to the regional grid.

Costs related to revenue

Costs related to revenue are mainly freight costs and costs for export documents.

Raw materials and consumables

The costs of raw materials and consumables used are based on historic costs.

Operating lease

Payments made under operating leases are recognised in the income statement.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

DIVIDEND DISTRIBUTION

Dividend distribution to the Crown Van Gelder N.V. shareholders is recognised as a liability in the financial statements after approval of the dividend proposal by the company's shareholders.

CORPORATE INCOME TAX

The taxation shown in the income statement is based on the economic result, and calculations are based on prevailing tax-rates and regulations.

ACCOUNTING ESTIMATES AND ASSUMPTIONS

In the process of applying the accounting policies, the management discussed judgements and assumptions that have the most significant effect on the amounts recognised in the financial statements. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements and assumptions were made concerning mainly the following items:
- Property, plant and equipment;
- Intangible assets;
- Employee benefit liability;
- Impairment of assets.

For the explanation of these judgements and used assumptions we refer to the notes to the financial statements.

SEGMENT INFORMATION

Crown Van Gelder N.V. produces and sells woodfree uncoated paper on reels, which is a specific product / market segment within the paper industry. Crown Van Gelder N.V. does not operate in different business locations or business units. Therefore the company has no segmental differentiation in internal financial reporting.

NEW ACCOUNTING STANDARDS

On a regular basis, the IASB issues new accounting standards, amendments and interpretations. In the financial year 2010, the following changes, subdivided into effective and not yet effective, have been reviewed and, if found applicable, have lead to consequential changes to the accounting policies and other note disclosures:

New and amended accounting standards, effective during the year

- IFRS 2 Share-based Payments – Group Cash-settled Share-based Payments Arrangements
  The amendment clarifies the scope and the accounting for group cash-settled share-based payment transactions. Crown Van Gelder N.V. has concluded that this standard does not have any impact on the financial position or the performance of Crown Van Gelder NV.

- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
  IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after this date.

Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.
IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.
The changes by IFRS 3 (Revised) and IAS 27 (Amended) do not have an impact on the financial position of Crown van Gelder N.V.

- IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedge Items
The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow hedges variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations.
Crown Van Gelder N.V. has concluded that the amendment will have no impact on the financial position or performance of Crown Van Gelder N.V., as Crown Van Gelder N.V. has not entered into any such hedges.

- IFRIC 12 Service Concession Arrangements
This interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. Crown Van Gelder is not an operator and, therefore, this interpretation did not have any impact on the financial position or the performance of Crown Van Gelder N.V.

- IFRIC 15 Agreements for the Construction of Real Estate
The interpretation clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognized if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore it provides guidance on how to determine whether an agreement is within the scope of IAS 11 or IAS 18.
This standard does not have any impact on the financial position or the performance of Crown Van Gelder.

- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
This interpretation provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment.
This standard does not have any impact on the financial statements of Crown Van Gelder.

- IFRIC 17 Distributions of Non-cash Assets to Owners
The Interpretation provides guidance on how to account for non-cash distributions to owners. It clarifies when to recognise a liability, how to measure it and the associated assets, and when to derecognise the asset and liability.
The adoption of this interpretation does not have any impact on the financial position or the performance of Crown Van Gelder N.V. as the company has not made non-cash distributions to shareholders in the past.

• IFRIC 18 Transfer of Assets from Customers
IFRIC 18 applies to all entities that receive from customers an item of property, plant and equipment or cash for the acquisition or construction of such items. These assets are then to be used to connect the customer to a network or to provide ongoing access to a supply of goods or services, or both. The interpretation provides guidance on when and how an entity should recognise such assets. The Company has concluded that the amendment does not have any impact on the financial position or the performance of the Company.

• Improvements to IFRSs
In May 2008 and April 2009, the IASB issued the first and second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard.
Crown Van Gelder N.V. has concluded that these changes have no impact on the financial position or the performance of the Company.

New and amended accounting standards, not yet effective during the year

• IFRS 7 Financial Instruments: Disclosures
The amendments to IFRS 7 are effective for annual periods beginning on or after 1 July 2011 and will improve the understanding of transfer transactions of financial assets including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The Company does not expect any impact on its financial position or performance from the amendment of this standard.

• IFRS 9 Financial Instruments
IFRS 9 as issued reflects the first and second phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address hedge accounting, derecognition and asset and liability offsetting. The completion of this project is expected in early 2011. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group’s financial assets. The company is currently investigating the impact of adopting this standard.

• IAS 12 Income Taxes
The amended standard is effective for annual periods beginning on or after 1 January 2012. The amendment provides a practical solution to the difficult and subjective assessment whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property, by introducing a presumption that recovery of the carrying amount will, normally, be through sale. The Company does not expect any impact on its financial position or performance from the amendment of this standard.

• IAS 24 Related Party Disclosures (Revised)
The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application.
The revised standard introduces a partial exemption of disclosure requirements for government related entities.
The Company does not expect any impact on its financial position or performance from the amendment of this standard.

- IAS 32 Financial Instruments: Presentation – Classification of Rights Issues
  The amendment to IAS 32 is effective for annual periods beginning on or after 1 February 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment will have no impact on the Company after initial application.

- IFRIC 14 – Prepayments of a Minimum Funding Requirement
  The amendment to IFRIC 14 is effective for annual periods beginning on or after 1 January 2011 with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendment is deemed to have no impact on the financial statements of the Company.

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
  IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognized immediately in profit or loss. The adoption of this interpretation will have no effect on the financial statements of the Company.

- Improvements to IFRSs
  In May 2010, the IASB issued a third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard to IFRS 1, IFRS 7, IAS 1, IAS 34 and IFRIC 13. Crown Van Gelder N.V. has studied the improvements and is currently assessing its impact.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

PROPERTY, PLANT AND EQUIPMENT (1)

Movements in the value of property, plant and equipment were as follows:

EUR x 1,000	*Land and buildings*	*Plant and machinery*	*Other tangible fixed assets*	*Tangible fixed assets under construction*	*Total*
Costs					
At 1 January 2009	21,069	180,469	1,707	3,417	206,662
Additions	102	4,889	96	351	5,438
Disposals	-	(3,192)	(40)	-	(3,232)
At 31 December 2009	**21,171**	**182,166**	**1,763**	**3,768**	**208,868**
Depreciation					
At 1 January 2009	14,619	130,417	1,222	-	146,258
Disposals	-	(3,192)	(41)	-	(3,233)
Depreciation for the year	727	7,091	127	-	7,945
At 31 December 2009	**15,346**	**134,316**	**1,308**	**-**	**150,970**
Book value					
At 1 January 2009	**6,450**	**50,052**	**485**	**3,417**	**60,405**
At 31 December 2009	**5,825**	**47,850**	**455**	**3,768**	**57,898**
Costs					
At 1 January 2010	21,171	182,166	1,763	3,768	208,868
Additions	980	4,910	131	(991)	5,030
Disposals	(4)	(3,017)	(62)	-	(3,083)
At 31 December 2010	**22,147**	**184,059**	**1,832**	**2,777**	**210,815**
Depreciation					
At 1 January 2010	15,346	134,316	1,308	-	150,970
Disposals	(4)	(3,018)	(62)	-	(3,084)
Depreciation for the year	674	6,977	120	-	7,771
Impairment on PP&E	1,611	13,260	129	-	15,000
At 31 December 2010	**17,627**	**151,535**	**1,495**	**-**	**170,657**
Book value					
At 1 January 2010	**5,825**	**47,850**	**455**	**3,768**	**57,898**
At 31 December 2010	**4,520**	**32,524**	**337**	**2,777**	**40,158**

In 2008 the company recognised an impairment loss of EUR 18.5 million. The events and circumstances that led to the recognition of the impairment loss were the prolonged below-target return on capital employed due to the prevailing market situation with overcapacity and costs increases that consequently could not sufficiently be passed on to customers.

During the second half year 2010 a number of important business factors (among others the increase of pulp prices and continuing overcapacity) worsened compared to previous expectations; operating results decreased due to the need in maintaining competitive sales prices while suffering from increased pulp prices. Due to the economic recession and a surge in pulp prices which are expected to remain at a relatively high level in the coming years, a recovery of results to structural profitable levels takes longer than anticipated earlier.
Crown Van Gelder concluded from the revised estimation of the recoverable amount an additional impairment of EUR 15 million of certain property, plant and equipment. The impairment charge has been recognised in the income statement in the line 'Impairment on fixed assets'.

The recoverable amount is based on the value in use and is assessed by Crown Van Gelder N.V. as one cash generating unit. Future expected cash flows were discounted at a rate of 10.7% (prior year 11.1%) on a pre-tax basis. The discount rate represents the current market assessment of the risk specific to Crown Van Gelder N.V., and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The beta factors are evaluated annually based on public available marked data. In determination of the recoverable amount the pulp price is determined to be the most relevant and volatile factor.

The amount of capitalised borrowing costs during the year ended 31 December 2010 was nil (2009 nil).

None of the items of the property, plant and equipment are pledged as security for liabilities and none of the items are held under a finance lease construction. The company has reviewed the residual values and the remaining lifetime of the assets used for the purpose of depreciation calculations. The outcome did not result in an extra adjustment (2009: nil). The depreciation of the property, plant and equipment is included in line item 'Depreciation and amortisation' in the consolidated income statement.

For the commitments concerning property, plant and equipment we refer to note 25.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

INTANGIBLE ASSETS (2)

Movements in the value of intangible assets were as follows:

EUR x 1,000	*Software*	*Software under construction*	*Total*
Costs			
At 1 January 2009	2,447	-	2,447
Additions (acquired)	198	337	535
At 31 December 2009	**2,645**	**337**	**2,982**
Amortisation			
At 1 January 2009	550	-	550
Amortisation for the year	354	-	354
At 31 December 2009	**904**	**-**	**904**
Book value			
At 1 January 2009	**1,897**	**-**	**1,897**
At 31 December 2009	**1,741**	**337**	**2,078**
Costs			
At 1 January 2010	2,645	337	2,982
Additions (acquired)	369	(308)	61
Disposals	(489)	-	(489)
At 31 December 2010	**2,525**	**29**	**2,554**
Amortisation			
At 1 January 2010	904	-	904
Amortisation for the year	454	-	454
Disposals	(489)	-	(489)
At 31 December 2010	**869**	**-**	**869**
Book value			
At 1 January 2010	**1,741**	**337**	**2,078**
At 31 December 2010	**1,656**	**29**	**1,685**

The intangible assets comprise computer software. These intangible assets have been assessed as having a finite useful life and are amortised under the straight-line method over a period of 3 to 6 years. The amortisation of the intangible assets is included in line item 'Depreciation and amortisation' in the consolidated income statement.

INVESTMENT IN ASSOCIATE (3)

Movements in the associate can be detailed as follows:

EUR x 1,000	*2010*	*2009*
At 1 January	1,272	1,331
Share of result	470	391
Dividends received	(400)	(450)
At 31 December	**1,342**	**1,272**

Crown Van Gelder N.V. has a 50% interest in International Forwarding Office B.V. (Zaandam, The Netherlands).
This company operates as a freight broker. The following table illustrates summarised financial information:

EUR x 1,000	*Assets*	*Liabilities*	*Revenue*	*Profit/(loss)**	*% Interest held*
2009					
International Forwarding Office B.V.	3,876	1,401	2,243	840	50
2010					
International Forwarding Office B.V.	4,430	1,995	2,244	762	50

* This amount represents the actual result of IFO. In the income statement of Crown Van Gelder the recorded result for the year consists of the forecasted result of the year and a correction on the previous year.

OTHER ASSETS (4)

Other assets include the capitalised amount of a lease contract with the Municipality of Velsen. In 1982 the company acquired the site and existing buildings based on a 50-year lease contract. In 1996, the 37 remaining payments for the years up to and including 2032 were redeemed. The capitalised amount will be allocated to the income statement during the remaining contract period using the straight-line method.

Movements in the other assets can be detailed as follows:

EUR x 1,000	*2010*	*2009*
At 1 January	2,492	2,602
Allocated to the income statement	(109)	(110)
At 31 December	**2,383**	**2,492**

The allocation is included in line item ‘Other expenses’ in the consolidated income statement.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

INVENTORIES (5)

Inventories can be detailed as follows:

EUR x 1,000	*2010*	*2009*
Raw materials	12,710	10,861
Other materials	5,741	5,839
Finished goods	13,328	10,651
At 31 December	**31,779**	**27,351**

TRADE AND OTHER RECEIVABLES (6)

Trade and other receivables can be detailed as follows:

EUR x 1,000	*2010*	*2009*
Trade receivables	16,446	19,857
Other receivables	417	425
Accrued income and prepayments	256	420
At 31 December	**17,119**	**20,702**

Trade receivables are non-interest bearing and are generally on 8-90 day's terms. In the trade receivables an allowance is included for doubtful debts.

As at 31 December 2010, trade receivables at nominal value of EUR 402 (2009: EUR 248) were impaired and fully provided for.

Movements in the provision for impairment of trade receivables were as follows:

EUR x 1,000	*2010*	*2009*
At 1 January	248	211
Charge for the year	335	705
Utilised	(105)	(534)
Unused amounts reversed	(76)	(134)
At 31 December	**402**	**248**

In determining the recoverability of a trade receivable, the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. By actively monitoring the financial condition of our trade receivables, using renowned third party credit rate assessment specialists and arranging insurance for outstanding debt, the company believes that there is no further credit provision required in excess of the allowance for doubtful debt.

Included in the company's trade receivable balance are debtors which are past due at the reporting date for which the company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The company does not hold any collateral over these balances.

As at 31 December, the analysis of trade receivables that were past due but not impaired is as follows:

EUR x 1,000	*Total*	*Neither past due nor impaired*	*<30 days*	*30-60 days*	*60-90 days*	*90-120 days*	*>120 days*
2009	**19,857**	18,635	1,007	200	3	-	12
2010	**16,446**	15,142	1,298	7	-	-	-

At 31 December 2010, the company held no forward exchange contracts (2009: seven). Reference is made to note 27.

CASH AND CASH EQUIVALENTS (7)

Cash and cash equivalents can be detailed as follows:

EUR x 1,000	*2010*	*2009*
Cash at bank and in hand	330	1,142
At 31 December	**330**	**1,142**

Cash at bank earns interest at floating rates based on daily bank deposit and the daily interest rate. The average effective interest rate during the financial year is based on EONIA less 0.75%.

There were no deposits during the financial year and all cash and cash equivalents are payable on demand.

SUBSCRIBED AND PAID-UP CAPITAL (8)

The authorised capital can be detailed as follows:

Number of shares (thousands)	*2010*	*2009*
Ordinary shares of EUR 10 each	1,500	1,500
Preference shares of EUR 10 each	1,500	1,500
Number of shares at 31 December	**3,000**	**3,000**

Issued and fully paid-up capital

	Thousands	*Thousands*
Ordinary shares	871.2	871.2
Preference shares	-	-
At 31 December	**871.2**	**871.2**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY (9)

EUR x 1,000	*Subscribed and paid-up capital*	*Retained earnings*	*Other reserves (note 10)*	*Result for the year*	*Total*	*Non-controlling interests*	*Total equity*
At 1 January 2009	**8,712**	**99,646**	**(5,673)**	**(14,921)**	**87,764**	**46**	**87,810**
Net gains / (losses) on cash flow hedges	-	-	180	-	180	-	180
Actuarial gains / (losses) in respect of pension scheme	-	-	(9,289)	-	(9,289)	-	(9,289)
Asset ceiling adjustments in respect of pension scheme	-	-	6,968	-	6,968	-	6,968
Result for the period	-	-	-	4,520	4,520	45	4,565
Total comprehensive income	-	-	(2,141)	4,520	2,379	45	2,424
Paid dividends	-	(2,178)	-	-	(2,178)	-	(2,178)
Result appropriation	-	(14,921)	-	14,921	-	-	-
Dividends non-controlling interests	-	-	-	-	-	(39)	(39)
Other movements*	-	(131)	131	-	-	-	-
At 31 December 2009	**8,712**	**82,416**	**(7,683)**	**4,520**	**87,965**	**52**	**88,017**
Net gains / (losses) on cash flow hedges	-	-	70	-	70	-	70
Actuarial gains / (losses) in respect of pension scheme	-	-	(907)	-	(907)	-	(907)
Adjustment due to change in tax-rate	-	-	(24)	-	(24)	-	(24)
Result for the period	-	-	-	(12,909)	(12,909)	76	(12,833)
Total comprehensive income	-	-	(861)	(12,909)	(13,770)	76	(13,694)
Paid dividends	-	(2,178)	-	-	(2,178)	-	
Result appropriation	-	4,520	-	(4,520)	-	-	-
Dividends non-controlling interests	-	-	-	-	-	(45)	(45)
Other movements*	-	34	(34)	-	-	-	-
At 31 December 2010	**8,712**	**84,792**	**(8,578)**	**(12,909)**	**72,017**	**83**	**72,100**

* Other movements relate to change in tax-rate.

OTHER RESERVES (10)

EUR x 1,000	*Asset ceiling pension accounting*	*Actuarial gains / losses*	*Cash flow hedge reserve*	*Total*
At 1 January 2009	**(6,519)**	**1,026**	**(180)**	**(5,673)**
Movements in 2009				
Recognition in other comprehensive income	6,968	(9,289)	-	(2,321)
Net gains / (losses) on cash flow hedges				
Charge for the year	-	-	160	160
Allocated to the income statement	-	-	20	20
Other movements	(449)	580	-	131
At 31 December 2009	**-**	**(7,683)**	**-**	**(7,683)**
Movements in 2010				
Recognition in other comprehensive income	-	(907)	-	(907)
Net gains / (losses) on cash flow hedges				
Charge for the year	-	-	70	70
Allocated to the income statement	-	-	-	-
Adjustment due to change in tax-rate	-	(24)	-	(24)
Other movements	-	(34)	-	(34)
At 31 December 2010	**-**	**(8,648)**	**70**	**(8,578)**

Nature and purpose of the other reserves

Actuarial gains and losses and asset ceiling pension accounting
The reserve has been created for recognising actuarial gains and losses in other comprehensive income as well as the consequences of asset ceiling adjustments. All amounts are recorded net of tax.
In 2008, although the value of the pension plan assets was greater than the value of the pension liabilities, paragraph 58A of IAS 19 limited Crown Van Gelder in recognising this difference, the funded states, as a net asset. Paragraph 58A provides that a company may only recognise a net pension asset to the present value of expected economic benefits as refunds or future premium discounts. This principle is often referred to as asset ceiling. In 2009 the value of the pension liabilities exceeds the value of the pension plan assets, reducing the asset ceiling to nil.

Other movements comprise the cumulative impact of changes in future income tax-rate.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Cash flow hedge reserve

The cash flow hedge reserve at the end of 2010 comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments where the hedged transactions have not yet occurred (2009: nil). The cash flow hedge reserve relates to the commodity forward contract and will be settled in 2011. Reference is made to note 27.

EMPLOYEE BENEFIT LIABILITY (11)

From 1 January 2006 onwards, Crown Van Gelder's pension plan is based on an average indexed salary plan without an early retirement pension plan for employees less than 56 years of age and in service at 1 January 2006. This plan provides for a normal retirement pension as from the age of 65. The accrual rate is 2.25% of the pension base per year of service. The pension plan includes a partner pension for spouse or unmarried partner of 70% of the attainable normal retirement pension, as well as an orphan's pension per child of 7% of the attainable normal retirement pension.
All Crown Van Gelder's benefit plans are financed on the basis of Dutch statutory and supervisory rules.

The reconciliation of the funded status can be detailed as follows:

EUR x 1,000	*2010*	*2009*
Defined benefit obligation (DBO) at 31 December	(109,940)	(96,237)
Plan assets at 31 December	105,702	92,931
Employee benefit liability at 31 December	**(4,238)**	**(3,306)**

The reconciliation of the present value of the defined benefit obligation can be detailed as follows:

EUR x 1,000	*2010*	*2009*
Defined benefit obligation (DBO) at opening balance	96,237	93,189
Service cost (including employee contributions)	2,127	1,876
Interest cost	5,085	5,003
Actuarial (gains) / losses	11,848	1,280
Benefits paid	(5,357)	(5,111)
Defined benefit obligation (DBO) at 31 December	**109,940**	**96,237**

The reconciliation of the fair value of the plan assets can be detailed as follows:

EUR x 1,000	*2010*	*2009*
Plan assets at opening balance	92,931	102,542
Expected return on plan assets	5,144	4,832
Actuarial gains / (losses)	10,630 (1)	(11,189) (1)
Contributions	2,354	1,858
Benefits paid	(5,357)	(5,112)
Plan assets at 31 December	**105,702**	**92,931**

(1) At year-end 2009 and 2010, the value of the plan asset is calculated using best estimates as actual value is not yet available.

The movements in the net pension asset / (liability) can be detailed as follows:

EUR x 1,000	*2010*	*2009*
Net pension asset / (liability) at 1 January	(3,306)	-
Contributions paid	1,748	1,281
Net pension benefit / (expense) recognised in the income statement	(1,462)	(1,470)
Recognition in other comprehensive income	(1,218)	(3,117)
At 31 December	**(4,238)**	**(3,306)**

The net pension expense recognised in the income statement can be detailed as follows:

EUR x 1,000	*2010*	*2009*
Current service costs	1,521	1,299
Interest on obligation	5,085	5,003
Expected return on plan assets (2)	(5,144)	(4,832)
Total net pension expense / (benefit)	**1,462**	**1,470**

(2) The expected return on plan assets is a long-term expected return and based on a long-term investment strategy in the various classes of the investments in the asset portfolio. For each asset class, a long-term asset return assumption is developed taking into account the long-term level of risk of the asset and historical returns of the asset class. A weighted average expected long-term return was developed based on long-term returns for each asset class and the target asset allocation of the plan. The actual return on plan assets in the financial year 2010 is equal to EUR 15,774 (2009: EUR (6,357)).

The cumulative amount of actuarial gains and losses can be detailed as follows:

EUR x 1,000		*2010*		*2009*
At 1 January		(10,316)		2,153
Actuarial gains / (losses) recognised in the 'Consolidated Statement of Comprehensive Income'	(907)		(9,289)	
Recognised in deferred tax (assets) / accruals	(311)		(3,180)	
		(1,218)		(12,469)
At 31 December		**(11,534)**		**(10,316)**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The percentage that each major category of plan assets constitutes of the fair value of the plan assets can be detailed as follows:

Asset Category	*2010*	*2009*
Equities	5%	5%
Bonds	83%	84%
Real Estate	8%	11%
Other	4%	-

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

In %	*Used in 2010*	*Used in 2009*
Discount rate	5.08	5.31
Expected return on plan assets	5.23	5.30
General salary increase	2.41	2.39
Pension increase	2.19	2.23

The history of experience gains and losses can be detailed as follows:

EUR x 1,000	*2010*	*2009*	*2008*	*2007*	*2006*
The present value of the defined benefit obligation	(109,940)	(96,237)	(93,189)	(89,777)	(93,986)
The fair value of plan assets	105,702	92,931	102,542	108,333	111,688
Funded status	(4,238)	(3,306)	9,353	18,556	17,702
Experience gains / (losses) on plan liabilities					
Amount	603	53	(3,379)	3,478	2,415
Actuarial return less expected return on plan assets					
Amount	11,250	(11,189)	(9,319)	(6,383)	(6)

Crown Van Gelder's best estimate of the contribution expected to be paid to the plan in the fiscal year ending as per 31 December 2011 amounts to EUR 1.4 million.

DEFERRED TAX ASSETS AND ACCRUALS (12)

The deferred tax assets relate to the following:

EUR x 1,000		*2010*		*2009*
Deferred tax assets				
Property, plant and equipment	11		1,851	
Pension	1,061		824	
Derivative in effective hedge	(24)		-	
Inventories	(580)		134	
		468		2,809
Movement due to change in tax-rate		(205)		-
Losses available for offset against future taxable income		9,871		2,585
At 31 December		**10,134**		**5,394**

Deferred tax assets have been valued at expected future tax-rates (25.0% for 2011) and are estimated to be mostly long-term.

The deferred tax accruals relates to the following:

EUR x 1,000		*2010*		*2009*
Deferred tax accruals				
EIA tax allowance	3,748		4,072	
At 31 December		**3,748**		**4,072**

The deferred tax accruals at 31 December 2010 comprise an amount of EUR 3.8 million for the (EIA) tax allowance. A deferred tax accrual amounting to EUR 0.4 million can be classified as short-term deferred tax accrual. The EIA tax allowance is classified as a tax accrual which means that the allowance reduces tax-rate. This amount will be released to the income statement during the expected useful life of the assets involved.

Movements in deferred tax charged or credited to other comprehensive income were as follows:

EUR x 1,000		*2010*		*2009*
Movements charged or credited directly to other comprehensive income				
Cash flow hedging	(24)		(62)	
Pension accounting	311		795	
Adjustment due to change in tax-rate	(24)		-	
Total		**263**		**733**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Movements in deferred tax charged or credited to the income statement were as follows:

EUR x 1,000	*2010*	*2009*
Movements charged or credited to the income statement		
EIA tax Allowance	418	417
Adjustment due to change in tax-rate	(182)	-
Total	**236**	**417**

OTHER NON-CURRENT LIABILITIES (13)

The company has entered into an emission swap contract. Other non-current liabilities relates to the amount of the liability to settle this contract in the future.

INTEREST-BEARING LIABILITIES (14)

The company has credit facilities at its disposal up to EUR 33 million. A part of these credit facilities are secured by inventories and debtors. The interest concerning the facilities consists of a basic interest rate (EURIBOR), plus an increase of between 1.25% and 3.40%. The credit facilities are committed until further notice.

At the end of 2010 an amount of EUR 11.0 million of these credit facilities was used.

TRADE CREDITORS (15)

Trade creditors are non-interest-bearing and normally settled within a maximum of 30 days.

OTHER SHORT-TERM LIABILITIES (16)

Other short-term liabilities are non-interest-bearing and normally settled within a maximum of 12 months.

REVENUE (17)

Revenue can be detailed as follows:

EUR x 1,000	2010	2009
Revenue of paper sales	156,650	139,798
Supply of energy	4,232	4,871
Total	**160,882**	**144,669**

The geographical distribution of paper sales and revenue in 2010 and 2009 were as follows:

In %	Sales of paper		Total revenue	
	2010	2009	2010	2009
Netherlands	13	15	16	18
Germany	25	24	24	22
United Kingdom	9	11	9	11
Belgium / Luxembourg	12	11	12	12
France	15	16	16	17
Other European countries	13	13	13	3
Other countries	13	10	10	7
Total	**100**	**100**	**100**	**100**

COSTS OF RAW MATERIALS, CONSUMABLES AND ENERGY (18)

The costs of raw materials, consumables and energy can be detailed as follows:

EUR x 1,000	2010	2009
Raw materials and consumables	95,900	63,968
Water	529	544
Packaging	2,097	2,000
Energy	17,490	18,035
Total	**116,016**	**84,547**

For the period 2008 until 2012, Crown Van Gelder has been allocated 147,933 CO_2 allowances on an annual basis. In 2010 total CO_2 emissions of Crown Van Gelder amounted to around 141,000 ton. The market value of the accumulated surplus at 31 December 2010 is around EUR 0.3 million.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

CHANGE IN INVENTORIES OF FINISHED GOODS (19)

The movement in inventories of finished goods can be detailed as follows:

EUR x 1,000	*2010*	*2009*
Finished goods at 1 January	10,651	12,379
Finished goods at 31 December	13,328	10,651
Total	**2,677**	**(1,728)**

EMPLOYEE BENEFITS COSTS (20)

The employee benefits costs can be detailed as follows:

EUR x 1,000	*2010*	*2009*
Wages and salaries	15,917	15,931
Social security contributions	2,011	1,842
Other staff costs	1,733	2,462
Net pension expense / (benefit)	1,521	1,470
Total	**21,182**	**21,705**

For a break down of the net pension expense we refer to note 11 concerning the employee benefit liability.

The average number of employees in 2010 was 309 (2009: 301).

DEPRECIATION AND AMORTISATION (21)

The depreciation and amortisation can be detailed as follows:

EUR x 1,000	*2010*	*2009*
Depreciation property, plant and equipment	7,771	7,945
Amortisation intangible assets	454	354
Gain on asset sale	-	(24)
Total	**8,225**	**8,275**

OTHER EXPENSES (22)

Other expenses can be detailed as follows:

EUR x 1,000	*2010*	*2009*
Maintenance costs	5,735	6,580
Leasing	317	405
Other operating expenses	7,298	8,171
Total	**13,350**	**15,156**

Research & development

The company is taking part in several projects relevant to the Dutch paper industry as a whole (e.g. energy saving, reduction in CO_2 emission levels). These projects are largely funded and sponsored by the Dutch government and third parties. The company incurs only minimal net costs as a result.

INCOME TAX (23)

The income tax can be detailed as follows:

EUR x 1,000		*2010*		*2009*
Current tax expense				
Current year tax (income) / expense	(4,644)		1,262	
Movements due to limit on deductibility	10		10	
		(4,634)		1,272
Movements in deferred tax and accruals				
Movements due to timing differences and release of EIA tax allowance	(418)		(417)	
Movement due to changes in tax-rate	182		-	
		(236)		(417)
Total		**(4,870)**		**855**

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Reconciliation of the tax-rate with the effective tax-rate can be detailed as follows:

In % and EUR x 1,000		*2010*		*2009*
Result on ordinary activities before taxation		(17,703)		5,420
Less share of result of associate		(470)		(391)
Accounting result before tax		(18,173)		5,029
	In %		*In %*	
Statutory income tax-rate	(25.5)	(4,643)	25.5	1,277
Lower tax-rate for first tax bracket	-	-	(0.3)	(15)
Non-deductible expenses for tax purposes	0.1	9	0.2	10
Reduction through tax allowances	(2.4)	(418)	(8.4)	(417)
Decrease in tax-rate	1.0	182	-	-
Total effective tax-rate	**(26.8)**	**(4,870)**	**17.0**	**855**

EARNINGS PER DEPOSITORY RECEIPT OF SHARE (24)

Basic earnings per depository receipt of share are calculated by dividing the result attributable to equity holders of the parent by the weighted average number of depository receipts of shares during the period.

The following reflects the calculation of the basic earnings per share:

	2010	*2009*
Result for the year attributable to equity holders of the parent (EUR x 1,000)	(12,909)	4,520
Dividends distributed to owners (EUR x 1,000)	2,178	2,178
Weighted average number of depository receipts of shares (thousands)	4,356	4,356
Basic earnings per depository receipt of share (EUR)	(2.96)	1.04
Diluted earnings per depository receipt of share (EUR)	(2.96)	1.04
Dividends distributed to owners per depository receipt of share (EUR)	0.50	0.50

There is no potential dilution of earnings per depository receipt of share.

COMMITMENTS AND CONTINGENCIES (25)

Leasing

Crown Van Gelder N.V. has entered into commercial leases on company cars, internal transport vehicles, printers and copiers. Future minimum rentals payable under non-cancellable operating lease as at 31 December are as follows:

EUR x 1,000	*2010*	*2009*
Within one year	316	405
Between one and five years	383	670
Longer than five years	-	33
Total	**699**	**1,108**

Capital expenditure commitments

At 31 December 2010, Crown Van Gelder had commitments amounting to EUR 2.0 million (2009: 2.3 million).

Guarantees

There were no bank guarantees issued at the balance sheet date (2009: nil).

Declaration of liability

Crown Van Gelder N.V. has provided a declaration of liability, as referred to in Article 403, Book 2, of the Dutch Civil Code, for the debts of its subsidiary Crown Van Gelder Energie B.V.

Forward transactions

Reference is made to notes 6 and 27.

Fiscal unity

Crown Van Gelder N.V. forms a fiscal unity with Crown Van Gelder Energie B.V. for both income tax and value added tax purposes.

RELATED PARTY TRANSACTIONS (26)

Related parties

Crown Van Gelder N.V. has related party transactions with International Forwarding Office B.V. (IFO). IFO operates as a freight broker.

Crown Van Gelder N.V. pays IFO on a commission fee per ton basis. There are no other related party transactions. The following table provides the total amount of transactions, which have been entered into with related parties:

EUR x 1,000	*2010*	*2009*
Outstanding balances as per year-end	217	283
Commission fees during the year	194	197

The sales to and purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured and the settlements occur in cash. There have been no guarantees provided or received for any related party receivables or payables.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Transactions with other related parties

The remuneration of the statutory directors is set out in the table below.

EUR x 1,000	*2010*	*2009*
Mees Hartvelt, Chief Executive Officer		
Fixed remuneration	228	220
Variable remuneration	-	76
Pension costs	52	67
Total	**280**	**363**

EUR x 1,000	*2010*	*2009*
Miklas Dronkers, Chief Operating Officer Appointed as per 1 May 2009		
Fixed remuneration	160	98
Variable remuneration	-	31
Pension costs	23	14
Total	**183**	**143**

A variable reward system is in force for the remuneration of the statutory directors, in which the variable remuneration is limited to 45% of the fixed yearly income. This variable income depends on the company's performance with respect to shareholders' equity and the extent to which certain specific objectives have been realised, and is determined at the discretion of the Supervisory Board. The Supervisory Board has reviewed the performance of the Management Board on specific targets. Although non-financial objectives have partially been met, the Management Board and Supervisory Board do not believe present financial performance allow disbursement of accrued rights and subsequently the Management Board waived its right for variable remuneration.

Crown Van Gelder provides a competitive package of fringe benefits for its Management Board, in line with those applicable to other employees. These include items as accident insurance, a lease car, directors' and officers' liability insurance and expense allowance.

Pension costs of the Management Board are based on its pensionable salary in accordance with IAS19 accounting. No stock options have been offered to or are owned by the Management Board. There are no loans outstanding to the Management Board and no guarantees were given on behalf of the Management Board.

The remuneration of the members of the Supervisory Board is set out in the table below.

EUR x 1,000	*2010*	*2009*
Berry Bemelmans, Chairman	29	24
Emile Bakker	22	19
Klaas Schaafsma	22	19
Han Wagter	25	19
Total	**98**	**81**

No stock options have been offered to the members of the Supervisory Board. There are no loans outstanding to the members of the Supervisory Board and no guarantees given on behalf of members of the Supervisory Board.

FINANCIAL RISK MANAGEMENT (27)

For classification purposes under IFRS 7, all financial instruments, with exception to the derivative financial instruments classified under hedging activities, are categorised as 'Loans and receivables'.

Objectives and policies

It is the company's policy to monitor and manage financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risk. These risks include market risk, credit risk and liquidity risk.
The company uses foreign currency contracts, commodity and interest rate swaps as derivative financial instruments. The purpose is to manage the currency and energy price risks arising from Crown Van Gelder's operations and to hedge its exposure to interest rate risk in its financing activities. It is the company's policy that no trading in financial instruments shall be undertaken. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. The commodity forward contract, outstanding at year-end 2010, is classified as derivative in effective hedge. At year-end 2010, no forward exchange contracts were outstanding (2009: seven).

Capital management

Crown Van Gelder manages its capital to ensure sufficient working capital to finance its daily activities. This is accomplished by short term debt, acquired from various renowned banks at competitive rates.

Market risk

Foreign currency risk
Crown Van Gelder has transactional currency exposures. Such exposure arises from purchases and sales in currencies other than the functional currency. Currency option contracts and currency forward contracts in USD and GBP are used in order to hedge short-term currency risks relating to cash, accounts receivable and payable. For further disclosure on these cash flow hedges and derivatives through profit and loss, reference is made to paragraph 'Hedging activities'. The fair value of forward exchange contracts is their market price at balance sheet date.
The following table demonstrates the sensitivity to a reasonably possible change in the USD and GBP rate, with all other variables held constant, of the company's result before tax.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

EUR x 1,000	*2010*	*2009*
Impact of currency changes on result before tax		
Increase / (decrease) in USD rate		
-5%	(300)	(50)
5%	300	50
Increase / (decrease) in GBP rate		
-5%	(48)	(154)
5%	48	154

Calculations are based on constant payment terms, geographical distribution of sales, sales volume and price levels.

Crown Van Gelder has evaluated the impact of changes in currency on equity and found them to be equal to the profit and loss effect.

Interest rate risk
At 31 December 2010, the company has no interest rate swaps.
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the company's finance cost (through the impact on floating rate borrowings).

EUR x 1,000	*2010*	*2009*
Average outstanding balance	10,562	8,788
Finance costs	345	350
Average interest rate %	3.27%	3.98%
Increase / (decrease) in base points		
(50)	53	44
(25)	26	22
25	(26)	(22)
50	(53)	(44)

Fair value
Comparison between book value and fair value of financial assets and liabilities can be detailed as follows:

EUR x 1,000	*Book value*	*Fair value*
At 31 December 2010		
Financial assets		
Trade and other receivables	17,119	17,119
Derivatives in effective hedge	94	94
Cash and cash equivalents	330	330
Financial liabilities		
Other non-current liabilities	636	636
Bank overdrafts	10,962	10,962
Trade and other payables	13,246	13,246

EUR x 1,000	*Book value*	*Fair value*
At 31 December 2009		
Financial assets		
Trade and other receivables	20,702	20,702
Cash and cash equivalents	1,142	1,142
Financial liabilities		
Other non-current liabilities	-	-
Bank overdrafts	9,297	9,297
Trade and other payables	13,637	13,637

In disclosing fair values, financial assets and liabilities are grouped into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. At Crown Van Gelder, these classes do not differ from the presentation as currently recorded on the statement of financial position.

The risk of a change in fair value, due to fluctuations in interest rate, of future cash flows relating to financial instruments, can be quantified with a sensitivity analysis. This signifies how the fair value of financial assets and liabilities is impacted due to a reasonable to be expected change in interest rate. The company has performed a sensitivity analysis and concluded that reasonable changes in interest rate do not significantly affect the fair value of any of the financial assets or liabilities.

Hedging activities

Cash flow hedges
At 31 December 2010, the company held one commodity forward contract and no forward exchange contracts.

The commodity forward contract entails to financially hedge an amount of 12,000 ton of pulp at a certain price, with expiration date December 31, 2011. The cost to enter this commodity forward contract was nil. Its fair value is based on a quote by a renowned third party. The commodity forward contract was initially recognised as cash flow hedge.
By subsequent testing for effectiveness it was concluded to be an effective cash flow hedge. The calculated amount is recorded in 'Other receivables'.

At 31 December 2010 the company held no forward exchange contracts. At 31 December 2009, the company held seven forward exchange contracts.

Forward exchange contracts	*Exchange Rate*	*Expiration Date*	*Fair Value EUR x 1,000*
Sell			
GBP 500,000	EUR/GBP 0.90840	14 January 2010	(13)
GBP 500,000	EUR/GBP 0.90140	14 January 2010	(9)
GBP 500,000	EUR/GBP 0.89970	11 February 2010	(8)
Buy			
USD 3,500,000	EUR/USD 1.49845	7 January 2010	97
USD 1,000,000	EUR/USD 1.43700	7 January 2010	(2)
USD 3,500,000	EUR/USD 1.43605	4 February 2010	(7)
USD 1,000,000	EUR/USD 1.43700	4 February 2010	(2)

Derivatives are classified as a non-current asset or liability if the remaining term of the derivatives is more than 12 months and as a current asset or liability if the remaining term of the derivatives is less than 12 months.
Net gain or loss on financial asset and liabilities at fair value through profit and loss can be summarized as follows:

EUR x 1,000	*2010*	*2009*
Financial assets at fair value through profit and loss	-	(242)
Financial liabilities at fair value through profit and loss	-	-
	-	**(242)**

This has been recognised in the income statement in the line 'Revenue'.

As at 31 December 2010, Crown Van Gelder held the following financial instrument measured at fair value:

Financial instruments: Assets / (liabilities) measured at fair value

EUR x 1,000	*31 Dec 2010*	*Level 1*	*Level 2*	*Level 3*
Financial assets at fair value through profit and loss				
Commodity forward contract	94	-	-	94

During the reporting period ending 31 December 2010, there where no transfers between Level 1 and Level 2 fair value measurements.

EUR x 1,000	*31 Dec 2009*	*Level 1*	*Level 2*	*Level 3*
Financial assets at fair value through profit and loss				
Foreign exchange contracts – non hedged	56	-	56	-

During the reporting period ending 31 December 2009, there where no transfers between Level 1 and Level 2 fair value measurements.

Fair value hierarchy
Crown Van Gelder N.V. uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Reconciliation of fair value measurements of Level 3 financial instruments
Crown Van Gelder N.V. carries a commodity forward contract classified as Level 3 within the fair value hierarchy. A reconciliation of the beginning to the closing balances disclosing movements separately is disclosed hereafter:

EUR x 1,000	*2010*	*2009*
At 1 January	-	-
Total gains / (losses) in OCI	94	-
Purchases	-	-
Sales	-	-
At 31 December	**94**	-

Credit risk management
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Crown Van Gelder is exposed to credit risk from its operating activities and from its financing activities, primarily deposits with banks and insurance contracts.
The credit risk on balances with banks, derivative financial instruments and insurance claims is limited because the counterparties are banks and financial institutions with high credit-ratings assigned by international credit-rating agencies. Reference is made to note 6 for credit risk related to receivables.

Liquidity risk management
The company manages liquidity risk by maintaining adequate credit facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The credit facilities from financial institutions are committed until further notice. The following table details the company's remaining contractual maturity for its financial liabilities.

EUR x 1,000	*< 1 year*	*1 – 5 years*	*> 5 years*	*Total*
2010				
Interest bearing liabilities	10,962	-	-	10,962
Trade payables	7,913	-	-	7,913
Other non-current liabilities	-	636	-	636
Other short-term liabilities	3,203	-	-	3,203
Total	**22,078**	**636**	-	**22,714**
2009				
Interest bearing liabilities	9,297	-	-	9,297
Trade payables	8,053	-	-	8,053
Other short-term liabilities	3,272	-	-	3,272
Total	**20,622**	-	-	**20,622**

Depending on both external developments and management decisions, both the outstanding credit-facility and effective interest-rate can fluctuate over time. Consequently, assessing the amount of interest due for the coming year is ambiguous.

NET FINANCE INCOME (28)

Finance income

EUR x 1,000	*2010*	*2009*
Interest from outstanding cash and equivalents	-	1
Interest from non-related parties	3	6
	3	7

Finance costs

EUR x 1,000	*2010*	*2009*
Interest on interest bearing-liabilities	345	350

COMPONENTS OF OTHER COMPREHENSIVE INCOME (29)

EUR x 1,000	*2010*	*2009*
Cash flow hedges		
Gains / (losses) arising during the year on forward exchange contracts	94	222
Reclassification adjustment for gains included in the income statement	-	20
	94	242

(Before profit appropriation)

EUR x 1,000	Note	31 December 2010		31 December 2009	
ASSETS					
Fixed assets					
Intangible fixed assets	(I)	1,685		2,078	
Tangible fixed assets	(II)	33,268		47,992	
Financial fixed assets	(III)	14,110		9,397	
			49,063		**59,467**
Current assets					
Inventories	(IV)	31,779		27,351	
Accounts receivable	(V)	22,536		28,926	
Cash and cash equivalents	(VI)	50		878	
			54,365		**57,155**
Total assets			**103,428**		**116,622**
EQUITY AND LIABILITIES					
Shareholders' equity					
Subscribed and paid-up capital	(VII,VIII)	8,712		8,712	
Legal reserve	(VIII)	1,256		1,186	
Retained earnings	(VIII)	83,536		81,230	
Other reserve	(VIII)	(8,578)		(7,683)	
Result for the year	(VIII)	(12,909)		4,520	
Total equity			**72,017**		**87,965**
Provisions					
Employee benefit liability	(IX)	4,238		3,306	
Provision for deferred tax liabilities and accruals	(X)	3,748		4,072	
			7,986		**7,378**
Long term liabilities					
Other non-current liabilities	(XI)		**636**		-
Short term liabilities					
Interest-bearing liabilities		10,962		9,297	
Trade creditors	(XII)	6,539		6,440	
Taxation and social security contributions		215		118	
Other short-term liabilities		5,073		5,424	
			22,789		**21,279**
Total shareholders' equity and liabilities			**103,428**		**116,622**

COMPANY PROFIT AND LOSS ACCOUNT

EUR x 1,000	*2010*	*2009*
Result from subsidiaries and associates	524	414
Other result	(13,433)	4,106
Net result	**(12,909)**	**4,520**

ACCOUNTING PRINCIPLES FOR THE COMPANY FINANCIAL STATEMENTS

GENERAL INFORMATION

The company financial statements of Crown Van Gelder N.V. as presented are prepared in conformity with Generally Accepted Accounting Principles in the Netherlands and in compliance with the legal requirements concerning annual reporting as included in Title 9 Book 2 BW. These accounting principles are in accordance with the valuation principles as applied in the consolidated financial statements prepared under IFRS. Reference is made to the accounting principles mentioned in the notes to the consolidated financial statements. Differences between the accounting principles for the consolidated financial statements and the company financial statements are separately disclosed in this paragraph.

VALUATION

Financial fixed assets
Subsidiaries are stated at net asset value. Associates, including those where the shareholding is 50%, are stated at their net asset value. A legal reserve has been created for the accumulated profits to the extent that the company is not able to enforce the distribution of these profits.

NOTES TO THE COMPANY BALANCE SHEET

INTANGIBLE FIXED ASSETS (I)

Reference is made to note 2 of the notes to the consolidated statement of financial position.

TANGIBLE FIXED ASSETS (II)

Movements in the tangible fixed assets were as follows:

EUR x 1,000	*Land and buildings*	*Plant and machinery*	*Other tangible fixed assets*	*Tangible fixed assets under construction*	*Total*
Costs					
At 1 January 2009	21,069	155,550	1,670	3,417	181,706
Additions	102	1,688	93	351	2,234
Disposals at cost	-	(824)	(27)	-	(851)
Balance sheet at 31 December 2009	**21,171**	**156,414**	**1,736**	**3,768**	**183,089**
Depreciation					
At 1 January 2009	14,619	113,724	1,202	-	129,545
Disposals	-	(824)	(29)	-	(853)
Depreciation for the year	727	5,556	122	-	6,405
Balance sheet at 31 December 2009	**15,346**	**118,456**	**1,295**	**-**	**135,097**
Book value					
At 1 January 2009	**6,450**	**41,826**	**468**	**3,417**	**52,161**
At 31 December 2009	**5,825**	**37,958**	**441**	**3,768**	**47,992**
Costs					
At 1 January 2010	21,171	156,414	1,736	3,768	183,089
Additions	980	3,560	119	(991)	3,668
Disposals at cost	(4)	(2,016)	(62)	-	(2,082)
Balance sheet at 31 December 2010	**22,147**	**157,958**	**1,793**	**2,777**	**184,675**
Depreciation					
At 1 January 2010	15,346	118,456	1,295	-	135,097
Disposals	(4)	(2,016)	(62)	-	(2,082)
Depreciation for the year	674	5,405	114	-	6,193
Impairment on PP&E	1,611	10,459	129	-	12,199
Balance sheet at 31 December 2010	**17,627**	**132,304**	**1,476**	**-**	**151,407**
Book value					
At 1 January 2010	**5,825**	**37,958**	**441**	**3,768**	**47,992**
At 31 December 2010	**4,520**	**25,654**	**317**	**2,777**	**33,268**

FINANCIAL FIXED ASSETS (III)

Financial fixed assets can be detailed as follows:

EUR x 1,000		*2010*	*2009*
Subsidiaries	(A)	251	239
Investment in associate	(B)	1,342	1,272
Other assets	(C)	2,383	2,492
Deferred tax asset	(D)	10,134	5,394
Balance sheet at 31 December		**14,110**	**9,397**

(A) Subsidiaries

Movements in the balance sheet value of the subsidiaries were as follows (EUR x 1,000):

Balance sheet at 31 December 2009	239
Net result subsidiaries	54
Dividends received	(42)
Balance sheet at 31 December 2010	**251**

An overview of the subsidiaries is presented in the notes to the consolidated financial statements.

(B) Investment in associate

Reference is made to note 3 of the notes to the consolidated statement of financial position.

(C) Other assets

Reference is made to note 4 of the notes to the consolidated statement of financial position.

(D) Deferred tax asset

Reference is made to note 12 of the notes to the consolidated statement of financial position.

INVENTORIES (IV)

Reference is made to note 5 of the notes to the consolidated statement of financial position.

NOTES TO THE COMPANY BALANCE SHEET

ACCOUNTS RECEIVABLE (V)

Trade and other receivables can be detailed as follows:

EUR x 1,000	*2010*	*2009*
Trade receivables	16,383	19,836
Group companies	5,806	8,652
Other receivables	347	438
Balance sheet at 31 December	**22,536**	**28,926**

CASH AND CASH EQUIVALENTS (VI)

Cash and cash equivalents can be detailed as follows:

EUR x 1,000	2010	2009
Cash at bank and in hand	50	878
Balance sheet at 31 December	**50**	**878**

There were no deposits during the financial year and all the cash and cash equivalents are payable on demand.

SUBSCRIBED AND PAID-UP CAPITAL (VII)

Reference is made to note 8 of the notes to the consolidated statement of financial position.

SHAREHOLDERS' EQUITY (VIII)

EUR x 1,000	*Subscribed and paid-up capital*	*Legal reserves*	*Retained earnings*	*Other reserves (note 10)*	*Result for the year*	*Total equity*
Balance sheet at 1 January 2009	**8,712**	**1,245**	**98,401**	**(5,673)**	**(14,921)**	**87,764**
Net gains / (losses) on cash flow hedges	-	-	-	180	-	180
Actuarial gains / (losses) in respect of pension scheme	-	-	-	(9,289)	-	(9,289)
Asset ceiling adjustments in respect of pension scheme	-	-	-	6,968	-	6,968
Result for the year	-	-	-	-	4,520	4,520
Total recognised income and expense	-	-	-	(2,141)	4,520	2,379
Result appropriation	-	-	(14,921)	-	14,921	-
Paid dividends	-	-	(2,178)	-	-	(2,178)
Other movements	-	(59)	(72)	131	-	-
Balance sheet at 31 December 2009	**8,712**	**1,186**	**81,230**	**(7,683)**	**4,520**	**87,965**
Net gains / (losses) on cash flow hedges	-	-	-	70	-	70
Actuarial gains / (losses) in respect of pension scheme	-	-	-	(907)	-	(907)
Adjustment due to tax-rate change	-	-	-	(24)	-	(24)
Result for the year	-	-	-	-	(12,909)	(12,909)
Total recognised income and expense	-	-	-	(861)	(12,909)	(13,770)
Result appropriation	-	-	4,520	-	(4,520)	-
Paid dividends	-	-	(2,178)	-	-	(2,178)
Other movements	-	70	(36)	(34)	-	-
Balance sheet at 31 December 2010	**8,712**	**1,256**	**83,536**	**(8,578)**	**(12,909)**	**72,017**

Nature and purpose of the reserves

Legal reserve

The legal reserve has been created for the accumulated results to the extent that the company is not able to enforce the distribution of these results.

Other reserve
Reference is made to note 10 of the notes to the consolidated statement of financial position.

EMPLOYEE BENEFIT LIABILITY (IX)

We refer to note 11 of the notes to the consolidated statement of financial position.

PROVISION FOR DEFERRED ASSETS AND TAX LIABILITIES (X)

We refer to note 12 of the notes to the consolidated statement of financial position.

OTHER NON-CURRENT LIABILITIES (XI)

We refer to note 13 of the notes to the consolidated statement of financial position.

TRADE CREDITORS (XII)

Trade creditors can be detailed as follows:

EUR x 1,000	*2010*	*2009*
Trade creditors	6,539	6,440
At 31 December	**6,539**	**6,440**

DIRECTORS' REMUNERATION

We refer to note 26 of the notes to the consolidated statement of financial position.

AUDITOR'S REMUNERATION

In accordance with article 382a Title 9 Book 2 BW, our financial auditor received as compensation for services rendered the following amounts:

EUR x 1,000		*2010*		*2009*
Assurance services				
Audit of financial statements	95		118	
Other assurance services	-		-	
		95		118
Other assignments				
Tax assurance	10		4	
Miscellaneous services	12		26	
		22		30
Total		**117**		**148**

INDEPENDENT AUDITOR'S REPORT

To the General Meeting of Shareholders and Supervisory Board of Crown Van Gelder N.V.

Report on the financial statements

We have audited the accompanying financial statements 2010 of Crown Van Gelder N.V., Velsen. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2010, the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2010, the company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position of Crown Van Gelder N.V. as at 31 December 2010, its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements
In our opinion, the company financial statements give a true and fair view of the financial position of Crown Van Gelder N.V. as at 31 December 2010 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements
Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

The Hague, 17 March 2011

Ernst & Young Accountants LLP
Signed by E.J. Pieters

DIRECTORS' STATEMENT

The 2010 financial statements give a true and fair view of the assets, liabilities, financial position and results of Crown Van Gelder N.V. and the companies jointly included in the consolidation. The 2010 directors' report gives a true and fair review of the situation on the balance sheet date, the developments during the financial year at Crown Van Gelder N.V. and its related companies whose details have been included in its 2010 financial statements. The 2010 Annual Report describes the principal risks which Crown Van Gelder N.V. is facing.

Velsen, 17 March 2011

Management Board

Mees Hartvelt, CEO
Miklas Dronkers, COO

Supervisory Board

Berry Bemelmans, Chairman
Emile Bakker
Klaas Schaafsma
Han Wagter

PROFIT APPROPRIATION

Statutory Provisions

The principles applied in profit appropriation are stated in article 31 of the Articles of Association of Crown Van Gelder N.V. The principles can be summarised as follows:

From the distributable profit, first of all a dividend shall be paid on the preference shares.
The percentage to be paid is related to EURIBOR (Euro Interbank Offered Rate) increased with one and a half (1.5) per cent point, calculated over the paid-up amount of the nominal value and pro rata if these shares have been issued in the course of the financial year. If the profit for any financial year is insufficient to meet the aforementioned payment on preference shares, the deficit will be paid from the distributable part of the shareholders' equity. If this would also be insufficient, the remaining deficit will be paid from the profits earned in subsequent years.

From the profit remaining after the application of provisions as aforementioned, the Management Board will determine the amount of profit to be reserved and to be added to retained earnings. This decision is subject to approval of the Supervisory Board. The profits remaining thereafter shall be at the disposal of the General Meeting of Shareholders which decides on distribution or reservation.

If a loss has been suffered in any year, no dividend will be distributed for that year, apart from payments on preference shares from the distributable part of the shareholders' equity. Also in the following years, a distribution of profits can only take place after the loss has been compensated from the profits. However, on the recommendation of the Management Board, subject to approval of the Supervisory Board, the General Meeting of Shareholders may decide to make dividend payments from the distributable part of the shareholders' equity.

The Management Board may decide to distribute an interim dividend. The decision to that effect shall be subject to approval of the Supervisory Board.
The Management Board may decide that a distribution on ordinary shares will partly or entirely be made in shares in the company or depository receipts of share therefore. The resolution to that effect is subject to approval of the Supervisory Board.
On the recommendation of the Management Board and approval of the Supervisory Board, the General Meeting of Shareholders may decide to make payments to holders of ordinary shares from the distributable part of the shareholders' equity.

Result Appropriation 2010

The Management Board proposes to pass the dividend for the financial year 2010.

General

Set forth below is a concise summary of the corporate governance structure of Crown Van Gelder. The summary does not purport to be complete and is qualified in its entirety by reference to the constitutional and organisational documents of the company and Stichting Administratiekantoor Crown Van Gelder (which are all published on the company's website) as well as to the relevant statutory provisions of Dutch law.

The company's Management Board

Crown Van Gelder is managed by its Management Board. The Management Board has the full responsibility for both the company's management and the longer term policy making and strategy, all under the supervision of the Supervisory Board. The Management Board consists of such number of members as resolved by the Supervisory Board, with a minimum of one member. As the company is subject to the (mandatory) Rules for Large Companies (*structuurregime*), the members of the Management Board are appointed and dismissed by the Supervisory Board. The remuneration and other conditions of employment of each member of the Management Board are determined by the Supervisory Board, within the framework of the remuneration policy to be adopted from time to time by the General Meeting of Shareholders. Certain important decisions of the Management Board require the prior approval of the Supervisory Board. Other important resolutions of the Management Board are subject to the prior approval of the General Meeting of Shareholders. The internal organisation and procedures of the Management Board as well as some aspects of its relationship with, inter alia, the Supervisory Board, the General Meeting of Shareholders and the company's Works Council are laid down in the Management Board Regulations.

The Management Board consist of two directors:

- M.J. Hartvelt (1948)
  Member of the Management Board since 1999

- M. Dronkers (1966)
  Member of the Management Board since 2009

The Management Board convenes every fortnight with the company's Management Team to discuss the current affairs of the business, sales and marketing plans, projects' status, operational, safety and health issues and efficiency.

The company's Supervisory Board

Crown Van Gelder has a Supervisory Board which, according to its Articles of Association, shall consist of at least three members. The task of the Supervisory Board is to supervise the policy conducted by the Management Board and the general course of affairs in the company and the enterprise connected therewith. It further assists the Management Board by providing advice.
In fulfilling their duties, all members of the Supervisory Board must serve the interests of the company and the enterprise connected therewith. The Management Board requires the prior approval of the Supervisory Board for certain important decisions laid down in the Dutch Civil Code and the company's Articles of Association. The Supervisory Board from time to time draws up a profile (published on the company's website) regarding its desired composition and the knowledge and expertise that should be represented in the Supervisory Board. In principle, the members of the Supervisory Board are appointed by the General Meeting of Shareholders out of a nomination drawn up by the Supervisory Board. The General Meeting of Shareholders has the right to recommend persons for

placement on the nomination while the company's Works Council has a reinforced right of recommendation for one out of each three candidate Supervisory Board members. The internal organisation and procedures of the Supervisory Board as well as some aspects of its relationship with, inter alia, the Management Board, the General Meeting of Shareholders and the company's Works Council are laid down in the Supervisory Board Regulations, which are published on the company's website.
The Supervisory Board consist of four members:

- K. Schaafsma (1942)
  Member of the Supervisory Board since 2005

- H.A.J. Bemelmans (1944)
  Member of the Supervisory Board since 2006

- H. Wagter (1949)
  Member of the Supervisory Board since 2007

- E.J.L. Bakker (1947)
  Member of the Supervisory Board since 2008

All members of the Supervisory Board are independent pursuant to the criteria listed in best practice provision III.2.2 of the Dutch Corporate Governance Code (the 'Code') and, accordingly, the company has complied with best practice provision III.2.1 of the Code.
In 2010, the Supervisory Board met on 6 occasions with the Management Board and 5 times without. For the issues that were discussed and the functioning of the Supervisory Board, we refer to the report of the Supervisory Board.
The Supervisory Board has appointed an Audit Committee, which in 2010 consisted of Supervisory Board members H. Wagter and E.J.L. Bakker, who were elected because of their financial expertise. The Audit Committee met twice in 2010. The Audit Committee has reported its deliberations and findings to the Supervisory Board. For the issues that were reported, we refer to the report of the Supervisory Board. The reports issued by the Audit Committee were discussed at the Supervisory Board's plenary meetings.
No other committees have been appointed by the Supervisory Board.

The company's General Meeting of Shareholders
The ultimate control of the company is vested in the General Meeting of Shareholders. The General Meeting of Shareholders consists of all holders of shares.
Shareholders, and anyone who has a right of usufruct (*vruchtgebruik*) or pledge (*pand*) in respect of a share, is obliged to provide his address to the company.
Holders of shares as well as holders of depository receipts of shares (issued by Stichting Administratiekantoor Crown Van Gelder) have an unlimited right to attend meetings of the General Meeting of Shareholders, to address the meeting and to exercise (either by instruction, or by power of attorney) the voting rights on their shares (underlying their depository receipts, as the case may be). Unless otherwise prescribed by Dutch law or the Articles of Association, resolutions will be adopted by an absolute majority of the votes cast.
The General Meeting of Shareholders meets at least once a year. The last annual General Meeting of Shareholders took place on 22 April 2010.

Shareholders and holders of depository receipts are entitled to request that the Management Board or the Supervisory Board add items to the agenda of the meeting. Such requests have to meet the conditions as defined in the company's Articles of Association.
Crown Van Gelder facilitates voting by proxy. Introduction and maintenance of electronic voting would involve a substantial effort for a company with the size of Crown Van Gelder and therefore, this is not facilitated. Electronic voting will be introduced once a legal obligation has been introduced.
The main powers belonging to the competence of the General Meeting of Shareholders are the issuance of new shares and the designation of this authority to another corporate body, the adoption of the remuneration policy for the members of the Management Board, the appointment of the members of the Supervisory Board, the adoption of the financial statements, the allocation of profits and the amendment of the company's Articles of Association.

The role of the Stichting Administratiekantoor Crown Van Gelder

Most of the Crown Van Gelder ordinary shares are held in trust and are administered by Stichting Administratiekantoor Crown Van Gelder (Trust Office). The Trust Office issues depository receipts for those shares to individuals and institutions and these depository receipts are the Crown Van Gelder securities traded on NYSE Euronext Amsterdam. In exercising its voting rights on the shares held by it in trust, the Trust Office shall be guided primarily by the interests of the depository receipt holders. The interests of the company and other stakeholders are taken into account as well. The Trust Office's principal goal is to prevent a coincidental majority of shareholders in the General Meeting of Shareholders from controlling the decision-making process as a result of absenteeism. It so fosters the long-term interests of Crown Van Gelder and all of its stakeholders. The Trust Office complies with the requirements of Section 2:118a of the Dutch Civil Code as well as the requirements set out in the Code. Most of the latter requirements relate to the independence of the board of the Trust Office and the unlimited right of the holders of depository receipts to exercise the voting rights on the shares underlying their depository receipts. The rules governing the internal organisation of the Trust Office and the rights of and obligations resting with the Trust Office and the holders of depository receipts are laid down in the Trust Office's Articles of Association and Trust Conditions which are published on the company's website.

The Dutch Corporate Governance Code

Book 2 of the Dutch Civil Code in conjunction with Royal Decree nr. 747 of 23 December 2004 (as further extended by Royal Decree of 10 December 2009 (Bulletin of Acts and Decrees 545)) requires that companies like Crown Van Gelder indicate in their annual report to what extent they apply the principles and best practice provisions of the Dutch Corporate Governance Code (the Code) and explain to what extent and why certain principles and best practice provisions of the Code, if any, are not applied by the company. The Code can be found on www.commissiecorporategovernance.nl.
Crown Van Gelder does not apply any other code of conduct or corporate governance practices other than pursuant to provisions of Dutch law.
Crown Van Gelder complies with nearly all principles and best practice provisions of the Code (as amended in December 2008). To the extent that Crown Van Gelder does not comply with the Code, this is explained in the paragraph below.

Deviations from the Code

- Best practice provision III.4.3 requires the appointment of a company secretary. In view of the (limited) size of the company and the diversity of tasks and duties, this seems to be an inefficient function. When necessary, the Supervisory Board hires the services of an external lawyer, who shall ensure that correct procedures are followed and that the Supervisory Board acts in accordance with its statutory obligations and its obligations under the Articles of Association. All other tasks are divided between Supervisory Board members.

- Best practice provision III.6.7 requires that a member of the Supervisory Board who, in case all Management Board seats are vacant (*ontstentenis*) or all Management Board members are unable to perform their duties (*belet*), is temporarily charged with the management of the company, shall resign as member of the Supervisory Board. Any such Supervisory Board member temporarily charged with the management shall not participate in the deliberations of the Supervisory Board. In order to safeguard the continuity of the constitution of the Supervisory Board of Crown Van Gelder and the performance of its duties and responsibilities, only in case it is expected that the Supervisory Board member in question may be charged with the management for a longer period, he may be requested to resign as member of the Supervisory Board.
- Best practice provision IV.3.1 requires facilitating internet communication (webcasting) for the purpose of accessibility of the General Meetings of Shareholders, press conferences and analysts meetings. Introduction and maintenance of such facilities involves considerable efforts and expenses, which are substantial for a company with the size of Crown Van Gelder. Therefore, this requirement is only partly complied with. In 2007, the company has started to webcast the analyst meetings, which are held twice a year. The other meetings are not webcasted yet. The Management Board monitors the general, technological and costs developments in this respect on a continuing basis and will take further steps, if it deems such necessary.

Transactions

- According to best practice provisions II.3.2, II.3.3 and II.3.4 a member of the Management Board shall immediately report any (potential) conflict of interest that is material to the company and/or to him, to the chairman of the Supervisory Board and to the other members of the Management Board. Such member of the Management Board should not participate in any discussion and decision making with respect to the relevant transaction and such transaction should be entered into under arm's length conditions. During the financial year 2010 no such transactions have been reported; the Management Board confirms that these best practice provisions have been complied with.
- Further to best practice provisions III.6.1, III.6.2 and III.6.3 a member of the Supervisory Board shall immediately report any (potential) conflict of interest that is material to the company and/or to him, to the chairman of the Supervisory Board. Such member of the Supervisory Board should not participate in any discussion and decision making with respect to the relevant transaction and such transaction should be entered into under arm's length conditions. During the financial year 2010 no such transactions have been reported; the Supervisory Board confirms that these best practice provisions have been complied with.
- Best practice provisions III.6.4 requires that each transaction between the company and any person holding at least 10% of the issued share capital of the company shall be entered into under arm's length conditions. Furthermore, the decision to enter into such transaction which is material to the company and/or such person holding at least 10% of the issued share capital of the company requires the approval of the Supervisory Board and such transaction shall be reported in the company's annual report. The Company confirms that this best practice provision has been complied with.
- Best practice provision III.6.5 (regarding dealing with potential conflicts of interest) requires companies to draw up regulations in respect of the ownership of and the conclusion of transactions

in securities by the members of the Management Board and the Supervisory Board, other than the securities issued by Crown Van Gelder. In 2009, Crown Van Gelder already had procedural rules in place in respect of the ownership of and the conclusion of transactions in securities by the members of the Management Board. As from 1 January 2011, Crown Van Gelder also has procedural rules in place in respect of the ownership of and the conclusion of transactions in securities by the members of the Supervisory Board. These rules are published on the company's website.

Protective Instruments

Best practice provision IV.3.11 of the Code obliges Crown Van Gelder to provide in its Annual Report an overview of all existing and potential protective instruments against an unsolicited takeover, as well as an overview the circumstances under which these instruments may be used. During the financial year 2010, Crown Van Gelder has only one such (potential) protective instrument in place. This instrument is the call option right of Stichting Continuïteit Crown Van Gelder to subscribe for a number of new preference shares with a total nominal amount equal to (at the highest) the total nominal amount of the issued and outstanding ordinary shares. The Management Board of the company as well as the management board of the Stichting Continuïteit Crown Van Gelder are of the opinion that the Stichting Continuïteit Crown Van Gelder is an independent legal entity within the meaning of article 5:71 of the Financial Supervision Act (*Wet op het financieel toezicht*). According to the company's Articles of Association (article 6 paragraph 3), within four weeks after the issuance of such preference shares a shareholders' meeting must be held, at which the reasons for the issuance of the preference shares must be explained. Pursuant to article 6 paragraph 5 of the company's Articles of Association, within two years after the first issuance of the preference shares a shareholders' meeting must be held, at which a proposal to repurchase and/or cancel the preference shares must be submitted. Stichting Continuïteit Crown Van Gelder can exercise the call option at any moment, but shall in practice restrict the exercise of this right, in conformity with its objects clause, to the protection of the company against influences which might have an adverse material effect on the interests of the company and its related business.

Internal risk management and control system regarding the process of financial reporting

Report on internal risk management and control system

The Management Board is responsible for the design and operational effectiveness of the company's internal risk management and control system and, in doing so, is supervised by the Supervisory Board. The internal risk management and control system has been tailored to reflect the nature and size of the company, and is in line with the relevant COSO Guidelines (Committee of Sponsoring Organizations of the Treadway Commission). Although a system of this kind can never provide absolute certainty, it has been designed to provide reasonable assurance regarding the effectiveness of controls put in place to manage the strategic, operational, financial, compliance, and disaster risks inherent to the company's business. For a description of these risks, we refer to the risk management section in the report of the Management Board.
In 2010, in tandem with this responsibility, the company assessed the risks involved in its primary processes and reviewed its existing and additional controls.
The internal controls over financial reporting are designed to provide reasonable, but no absolute, assurance regarding the reliability of management and financial reporting in accordance with IFRS.

The company's controls include procedures ensuring that:
• commitments and expenditures are appropriately authorised by the Management Board;
• records are maintained which accurately and fairly reflect transactions;
• any unauthorised acquisition, use or disposal of the company's assets that could have a material effect on the financial statements is detected on a timely basis;
• transactions are recorded as required to permit the preparation of financial statements.
During the financial year 2010, the company monitored the proper functioning of the above mentioned controls. Due to inherent limitations however, internal controls over financial reporting may not prevent or detect all misstatements. The risk management and control system in place provides reasonable assurance that the financial reporting of Crown Van Gelder does not contain any material inaccuracies. No material weaknesses were identified during the financial year 2010.

Based on the above, the Management Board is of the opinion that the internal risk management and control system provides a reasonable assurance that the financial reporting does not contain any errors of material importance and that the risk management and control system worked properly in the financial year 2010. Looking ahead to 2011, the Management Board expects no significant changes.

INFORMATION ON THE BASIS OF THE DECREE ARTICLE 10 TAKE OVER DIRECTIVE (BESLUIT ARTIKEL 10 OVERNAMERICHTLIJN)

This information reflects the situation as per 17 March 2011 to the extent known to the Management Board and the Supervisory Board. This information is qualified in its entirety to the constitutional and organisational documents of the company and Stichting Administratiekantoor Crown Van Gelder as well as to the other information provided by this Annual Report and the law.

Capital structure

The company's authorised share capital consists of 1,500,000 ordinary shares and 1,500,000 preference shares with a par value of EUR 10 each. To each ordinary share and preference share is attached the right to cast one vote. The preference shares are entitled to a preferred dividend equal to the average of the twelve months EURIBOR increased with one and a half (1.5) per cent point of the paid-up part of their par value.

At 31 December 2010 871,201 ordinary shares were issued and outstanding and no preference shares were issued and outstanding. The Stichting Continuïteit Crown Van Gelder has a call option right to subscribe for a number of preference shares with a total nominal amount equal to (at the highest) the total nominal amount of the issued ordinary shares, but may limit this amount in certain circumstances to 29.9% of the total nominal amount of the issued ordinary shares, in order to avoid the obligation to make a public takeover bid for all the shares and all depository receipts, pursuant to chapter 5:5 of the Financial Supervision Act.

Restrictions as to the transferability of shares/depository receipts of shares
The organisational documents of the company do not provide for any restriction on the transferability of shares or depository receipts of shares issued with the company's cooperation.

Disclosures of qualifying holdings of shares in the company
The following shareholders have given notice of qualifying holdings of shares in the company pursuant to article 5:38 of the Financial Supervision Act:

Roosland Beheer B.V.	9.89%
Aviva plc	9.43%
Habri S.A.	6.76%
Navitas B.V.	6.66%

Further, the Stichting Continuïteit Crown Van Gelder has notified its right to acquire preference shares pursuant to its call option right. The Stichting Administratiekantoor Crown Van Gelder has also made a notification in respect of the shares it holds. (see page 88)

Shares carrying special voting or governance rights
The organisational documents of the company do not provide for any class of shares to which special voting or other governance rights are attached.

Control mechanism regarding employee stock options
The company has not granted stock option rights to employees.

Restrictions on voting rights
To each share is attached the right to cast one vote. No restrictions on the exercise of voting rights exist. The company has co-operated on the issuance of depository receipts of ordinary shares (in the proportion five depository receipts for one share) by Stichting Administratiekantoor Crown Van Gelder. The depository receipts are listed on NYSE Euronext, Amsterdam. No voting rights are attached to depository receipts. However, Stichting Administratiekantoor Crown Van Gelder unconditionally grants voting power of attorney to depository receipt holders requesting the exercise of the voting power attached to the shares underlying their depository receipts.

Agreements restricting the transferability of shares and/or the exercise of voting rights
The company is not aware of any agreements restricting the transferability of (depository receipts of) shares or the exercise of voting rights attached to shares.

Appointment and dismissal of members of the Management Board and the Supervisory Board. Amendment of the Articles of Association
The company is by virtue of the law subject to the Rules for Large Companies (*structuurregime*). As a consequence, the members of the Management Board are appointed and dismissed by the Supervisory Board. The members of the Supervisory Board are appointed by the General Meeting of Shareholders from a nomination drawn up by the Supervisory Board. The members of the Supervisory Board may on certain grounds mentioned in the law be dismissed by the Enterprise Chamber of the Amsterdam Court of Appeal. The General Meeting of Shareholders may resolve to revoke its trust in the Supervisory Board which, by virtue of the law, implies the dismissal of all

Supervisory Board members. The General Meeting of Shareholders may resolve to amend the Articles of Association.

The rights and powers of the Management Board, especially in relation to the issuance of shares and the repurchase of shares

The Management Board has the general rights provided by the law to the management board of a public company that is subject to the Rules for Large Companies. The Management Board has been authorised by the General Meeting of Shareholders subject to the approval of the Supervisory Board, to issue shares and grant rights to acquire shares. This authorisation includes the issuance of ordinary shares (and granting rights to acquire shares) up to 10% of the ordinary shares issued and outstanding on 22 April 2010 and the issuance of all preference shares included in the company's authorised share capital.

The Management Board is entitled, subject to prior authorisation by the General Meeting of Shareholders, to effect the repurchase of own shares by the company. The General Meeting has granted such authorisation for a period of 18 months as of the date of the General Meeting of 22 April 2010. The repurchase price must be within the range of EUR 0.01 and at the highest, in case of a depository receipt of a share the average price of a depository receipt on the NYSE Euronext during the ten trading days preceding the day of repurchase increased by 10%, and, in case of a share, five times the latter amount.

Agreements subject to a change of control following a public offer

The company is not a party to material agreements which are in any way subject to or effected by a change of control over the company following a public offer as referred to in article 5:70 of the Financial Supervision Act.

Agreements with board members or employees subject to a public offer

The company is not a party to agreements providing for payments to Management Board members and/or employees in case of termination of their employment in connection with a public offer as referred to in article 5:70 of the Financial Supervision Act.

The information provided in this overview reflects the outcome of continuing discussions on the subject matters between all stakeholders in the company. The Management Board and the Supervisory Board deem the present situation in line with both the interests of the company and the prevailing practice in the Netherlands. The Management Board and the Supervisory Board will continue monitoring all relevant developments and if and when appropriate initiate changes on the topics dealt with in this overview.

THE SUPERVISORY BOARD

Berry Bemelmans (1944)
Appointed in 2006, current term until 2014

Nationality:	Dutch
Post:	Former CEO of Heijmans N.V.
Supervisory posts:	Chairman of the Supervisory Board of Erbi B.V. and De Efteling N.V. Supervisory Director Intergas Energie N.V. Supervisory Director PontMeyer N.V.
Other posts:	Chairman of the Audit Committee of PontMeyer N.V. Chairman of Stichting Administratiekantoor Aandelenbezit VMG Holding Advisor Jos van den Bersselaar Constructie B.V.
Stockholding Crown Van Gelder:	none

Emile Bakker (1947)
Appointed in 2008, current term until 2012

Nationality:	Dutch
Post:	Investment Director Antea Participaties B.V.
Other posts:	Member of the Audit Committee of Crown Van Gelder N.V. Treasurer Vereniging Trustfonds Erasmus Universiteit Rotterdam
Stockholding Crown Van Gelder:	none

Klaas Schaafsma (1942)
Appointed in 2009, current term until 2013

Nationality:	Dutch
Post:	Former CEO of Crown Van Gelder N.V.
Other posts:	Member of the Executive Body of the Water Board Hollands Noorderkwartier
Stockholding Crown Van Gelder:	1,010 depository receipts of share

Han Wagter (1949)
Appointed in 2007, current term until 2011

Nationality:	Dutch
Post:	Former CFO of Royal Wessanen N.V.
Supervisory posts:	Member of the Supervisory Board of De Rooij Logistics
Other posts:	Chairman of the Audit Committee of Crown Van Gelder N.V.
Stockholding Crown Van Gelder:	none

DIRECTORS OF THE MANAGEMENT BOARD

THE MANAGEMENT BOARD

Mees Hartvelt (1948)
Appointed in 2004

Nationality:	Dutch
Post:	CEO of Crown Van Gelder N.V.
Supervisory posts:	Member of the Supervisory Board of the Regionale Ontwikkelingsmaatschappij Noordzeekanaalgebied N.V.
Other posts:	Chairman of the Royal VNP
	Chairman of the Board of the Dutch Employers Association (AWVN)
	Member of the Executive Board of VNO-NCW
	Member of the Board Competence Centre Paper and Board
	Member of the CEPI Board
	Member of the Board Platform Hout Nederland
Stockholding Crown Van Gelder:	2,670 depository receipts of share

Miklas Dronkers (1966)
Appointed in 2009

Nationality:	Dutch
Post:	COO of Crown Van Gelder N.V.
Other posts:	Member of the Environmental Committee of the Royal VNP
	Chairman of the Environmental Committee of the CEPI
Stockholding Crown Van Gelder:	145 depository receipts of share

The members of the Supervisory Board and the Management Board do not hold options on shares or depository receipts of share in Crown Van Gelder N.V.

STICHTING ADMINISTRATIEKANTOOR CROWN VAN GELDER (TRUST OFFICE)

REPORT 2010

Pursuant to article 10 of the conditions for the administration of registered shares of Crown Van Gelder N.V., dated 13 July 2005, we hereby report the following:

During the year under review two regular meetings of the Board of the Trust Office were held. Issues that amongst others have been discussed are the Annual Report 2009, the agenda for the Annual General Meeting of Shareholders (AGM), the semi-annual figures 2010 and the criteria for holding a meeting of holders of depository receipts of shares. The Board decided not to convene such a meeting, as at previous meetings only a very small minority of the holders of depository receipts was present and the Trust Office did not receive a request from the holders of depository receipts for such a meeting.

The Trust Office was present at the AGM on 22 April 2010. The Trust Office had been granted voting proxies to and/or received voting instructions from 31 holders of depository receipts of shares, representing 12.8% of the total number of votes that could be cast at this meeting. The Trust Office itself was entitled to vote on shares representing 86.9% of the total number of votes that could be cast at the meeting. The Trust Office exercised these voting rights and supported acceptance of all proposals submitted to the AGM.

The composition of the Board is as follows:
- Rainer Fuchs (former Secretary of Management Board of AMRO Bank and Executive Secretary of NYSE Euronext Amsterdam), chairman
- Henk Koetzier (attorney at law), secretary
- Jan van Hall (financial advisor), member
- Kees Molenaar (member of the Supervisory Board of all officially listed investment funds of Delta Lloyd Asset Management, Aster-X-Panorama Fund and Aster-X-Europe fund and member of the advisory board of all quoted investment funds of Kempen Capital Management), member

The members receive a remuneration of EUR 3,000 per annum. The chairman receives a remuneration of EUR 3,500. The cost of activities of the Trust Office in 2010 amounted to EUR 17,665.
At 31 December 2010, the Trust Office held in administration ordinary shares Crown Van Gelder N.V. with a total nominal value of EUR 8,680,200 for which it had issued 4,340,100 depository receipts of shares with a nominal value of EUR 2 each.
The administrator of the Trust Office, 'Administratiekantoor van het Algemeen Administratie- en Trustkantoor B.V.' (Amsterdam, The Netherlands) performs the activities involved in the day-to-day administration of the ordinary shares.

Velsen, 17 March 2011

Rainer Fuchs, Chairman	Henk Koetzier, Secretary
Jan van Hall	Kees Molenaar

For information:
Stichting Administratiekantoor Crown Van Gelder
P.O. Box 30
1950 AA Velsen
The Netherlands

ADDITIONAL INFORMATION FOR SHAREHOLDERS

DIVIDEND POLICY

The following policy is applied:
- pay-out ratio of 60% of net profit, averaged over the paper cycle;
- pay-out of dividend in cash;
- avoidance of major dividend fluctuations.

KEY FIGURES

Per depository receipt of share of EUR 2 nominal value	*2010*	*2009*	*2008*	*2007*	*2006*
Operating cash flow	1.00	2.37	2.46	2.38	1.29
Net result	(2.96)	1.04	(3.43)	0.50	0.51
Dividend[1]	-	0.50	0.50	1.00	1.00
Equity[2]	16.61	20.21	20.16	24.88	26.61
Closing price at year-end	7.25	8.10	5.83	15.25	16.83
Pay-out ratio in %	-	48	undefined	200	196
Price/earnings ratio at year-end	n.a.	7.8	undefined	31	33
Price/equity ratio in %	44	40	29	61	63

[1] *Dividend 2010 is proposal to shareholders*

[2] *Equity before appropriation of results*

CALENDAR 2011

• 11 February 2011	Press release annual results 2010
• 12 May 2011	Annual General Meeting of Shareholders and trading update
• 16 May 2011	Ex-dividend listing
• 18 May 2011	Record date
• 24 May 2011	Dividend payment date
• 29 July 2011	Press release half-year results 2011
• 10 November 2011	Trading update

CALENDAR 2012

• 10 February 2012	Press release annual results 2011
• 10 May 2012	Annual General Meeting of Shareholders and trading update
• 14 May 2012	Ex-dividend listing
• 16 May 2012	Record date
• 22 May 2012	Dividend payment date
• 27 July 2012	Press release half-year results 2012
• 8 November 2012	Trading update

INVESTOR RELATIONS

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