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CROWN VAN GELDER

ANNUAL REPORT 2009

CROWN VAN GELDER N.V.

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ANNUAL REPORT 2009

CROWN VAN GELDER N.V.

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New Business Development is an important basis for securing the enduring success of Crown Van Gelder.

COMPANY PROFILE

Crown Van Gelder N.V. manufactures and sells high-quality specialty products in the woodfree uncoated and single-coated paper sectors. Based in Velsen, The Netherlands, the company employs around 300 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. 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	*2009*	*2008*	*2007*	*2006*	*2005*[3]
Revenue	144,669	160,780	163,218	150,793	142,158
Operating result[1]	5,372	(2,081)	2,681	2,381	12,407
Net result[2]	4,520	(14,921)	2,190	2,241	9,016
Depreciation	8,275	9,773	9,755	9,659	9,239
Capital expenditure	5,973	6,284	3,033	4,058	21,653
Sales (ton)	198,200	212,200	218,600	208,800	200,400
Production (ton)	197,800	213,300	220,500	212,500	197,000
Workforce (average)	301	291	284	286	296
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 operating result excluding impairment charge.
[2] Net result as reported here and in the Report of the Supervisory Board and Report of the Management Board is the net annual result available to Crown Van Gelder shareholders, as shown in the consolidated income statement.
[3] The consolidated statement of financial position and income statement 2005 have been adjusted in 2006 to reflect a change in pension accounting principles.

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

REPORT OF THE SUPERVISORY BOARD

INTRODUCTION AND PROFIT DISTRIBUTION

We are pleased to present Crown Van Gelder N.V.'s financial statements for 2009, and recommend that the shareholders adopt the financial statements at the Annual General Meeting of Shareholders (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, which report a net profit of EUR 4.5 million, with the Management Board. The Management Board proposes to pay a cash dividend of EUR 0.50 per depository receipt out of the net profit for the financial year 2009 in accordance with Article 31.2 of the Articles of Association. We recommend the unqualified adoption of the financial statements and dividend pay-out for 2009 to the shareholders, in accordance with the Management Board's proposal. We also propose that the shareholders grant the Management Board and Supervisory Board discharge from liability for the policies and supervision pursued in 2009.

COMPOSITION AND OPERATING PROCEDURE OF THE SUPERVISORY BOARD

Details of the Supervisory Board's operating procedure and distribution of responsibilities are given in the Profile and Regulations of the Supervisory Board. 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 composition of the Supervisory Board 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. The Supervisory Board has four members. At the General Meeting of Shareholders (AGM) held on 23 April 2009 Klaas Schaafsma, being a former CEO of Crown Van Gelder, was re-appointed as a member of the Supervisory Board.

During the year under review, the Supervisory Board met seven 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 each other's viewpoints regarding 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, operational 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, the 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 the individual members, including the frequency of attendance at Board meetings. Issues raised during those closed meetings included the Supervisory Board's desired profile, desired composition, and powers.
The Supervisory Board also discussed Management Board performance, including its delivery on agreed performance indicators.

In 2003 the Supervisory Board set up an Audit Committee, which in 2009 consisted of supervisory directors Wagter (Chairman) and Bakker, who were elected because of their financial expertise. The Audit Committee met twice in 2009 to discuss the 2008 financial statements and 2009 half-year results, and the interpretation of IFRS standards, particularly those concerning the financial reporting of fixed asset impairment and the pension scheme as these have a considerable impact on Crown Van Gelder's financial performance. Other topics included the company's financing, risk profile, risk management, and customer credit risk exposure. The Audit Committee's reports were discussed at the Supervisory Board's plenary meetings. The Audit Committee met once with the external auditor, without Management Board members being present.
Crown Van Gelder has no internal audit department. The audit committee performed its annual evaluation and concluded that in view of the structure and size of the company, no audit department is justified. 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 of the activities and responsibilities of subcommittees (remuneration, recruitment & selection), as defined in the Dutch Corporate Governance Code (the Code), have been entrusted to the Supervisory Board as a whole.

The supervisory directors are paid a fixed fee for their activities, independent of the company's performance. Their remuneration does not include any shares or options, and has been adopted by the 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 2009, the issue of corporate governance was raised with the shareholders. They have adopted a new remuneration policy for the Management Board. Termination payments for members of the Management Board have been brought in line with the Code. The Management Board clarified the company's reserve and dividend policies. The report on the AGM is 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 2009. The background to this decision had been the very low turnout at two previous meetings with depository receipt holders.

REPORT OF THE SUPERVISORY BOARD

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 also be found on our website.

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

The external auditor attended the Supervisory Board meeting at which 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 present at the AGM, where he, on being asked, was granted the opportunity to address the meeting.
The Management Board and Audit Committee annually report to the Supervisory Board on developments in the relationship with the external auditor, and once every four years review the external auditor's performance.

REMUNERATION OF THE MANAGEMENT BOARD

The proposed Management Board remuneration policy was adopted by the shareholders at the AGM in 2009, and is posted on the company's website. The adjustments to Management Board remuneration made in 2009 were prompted by a HayGroup report in which pay levels were published for peer positions.

As an incentive, Management Board remuneration includes a variable item which depends 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 use, and management development.

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 2009. The Supervisory Board notes that the company's response to these conditions and to 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. After the substantial scheduled production stoppage pending the overhaul of the combined heat and power plant and the two paper machines, production resumed according to plan in December 2009. However, the Supervisory Board observes that there has been a fall in demand for paper, which necessitated adjusting production capacity. This has had a great impact on efficiency performance. It is uncertain whether, and to what extent, previous patterns of usage will evolve once the markets have recovered from the economic downturn.

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

Although the profit for 2009 falls short of the expected level, the Supervisory Board is pleased with the company's performance, in view of the economic conditions and developments within the industry.

Velsen, The Netherlands, 19 March 2010

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 2009 financial year with a net profit of EUR 4.5 million, a considerable improvement on the net loss of EUR 14.9 million in 2008. The improvement was driven mainly by the absence of a EUR 13.8 million impairment charge recognised in 2008, and lower prices of raw materials. The company's operating result (before the 2008 impairment) turned from a loss of EUR 2.1 million in 2008 into a profit of EUR 5.4 million. The negative impact of lower sales and production volumes, and lower selling prices was more than offset by the reduction in pulp prices and the contribution made by new products. Cash flow from operating activities was down slightly from EUR 10.7 million in 2008 to EUR 10.3 million in 2009.
In 2009 sales volume declined by 14,000 ton to 198,200 ton and production fell by 15,500 ton to 197,800 ton. Lower sales on the European paper market were the main factor contributing to these volume reductions in the order of 7%.

Cost of raw materials

The average NBSK USD benchmark pulp price was down 23% on 2008. Expressed in EUR, the decline was slightly less substantial, standing at 19%. Developments in the price of short-fibre pulp are of greater relevance to the company. Expressed in EUR, the average price of short-fibre pulp was down 25% on 2008. The average pulp price paid by Crown Van Gelder fell by around 27% in 2009, which led to a EUR 19 million cost reduction.

Energy costs

Energy is a major cost item for a non-integrated paper company such as Crown Van Gelder. After strong price increases in the years 2004 to 2007, energy costs stood at a considerably lower level in 2008 and 2009. This was due to the timely hedging of gas prices. The company's existing energy contracts will run until 2012. Prices for 2011 have largely been locked in and those for 2012 partly so.

Strategy

The company will continue to focus on strengthening its position on the specialty paper market. Due to investments made from 2002 until 2007, total production capacity has increased to approximately 225,000 ton.

Having regard to various market developments and trends, Crown Van Gelder revised its 2010 mission statement, renaming it Mission 2012. The revised mission statement was published in early 2009. More efforts will be channelled into developing new products, and for products to be manufactured even more sustainable. 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.

Outlook

Crown Van Gelder is a solid company, whose excellent competitive position has proved its worth in a difficult cyclical phase. Due to the credit crunch and ensuing economic recession, we have been unable to produce to capacity. However, we remain firmly committed to developing new specialty papers. Strong competition on the European sales markets and persisting overcapacity are likely to affect our results in 2010. It is unclear whether sales 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 raw material costs will initially have a negative effect on profitability. Depending on how capacity and 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.

OPERATING REVIEW

Results

Revenue declined from EUR 161 million in 2008 to EUR 145 million in 2009. Sales were down almost 7% from 212,200 ton in 2008 to 198,200 ton in 2009. Output was 197,800 ton in 2009, down 7% on 2008, when the company produced 213.300 ton.

Total production capacity was adversely affected by the scheduled production stoppage in connection with a major overhaul of the combined heat and power plant and regular maintenance on the two paper machines in December, and by the composition of the order portfolio. The substantial tonnage of new products manufactured in 2009 also took extra capacity.

Operating profit came to EUR 5.4 million in 2009, an improvement of EUR 7.5 million on the operating loss of EUR 2.1 million reported in 2008.

The volume of finished products in stock was 20,500 ton at 31 December 2009, which was slightly below the level at year-end 2008 (21,000 ton) due to machine maintenance and the shipments delivered in the last few weeks of the year.

Crown Van Gelder supplied 74.8 GWh of electricity to the public grid, generating EUR 4.9 million in revenues (2008: 76.2 GWh and EUR 4.5 million).

On 1 January 2006, the pension fund was contracted out to a pension insurance company. In 2007 agreement was reached with the employee organisations about the financial implications of the new pension scheme for the next five years, but the pension insurance company was unable to supply the new set of contract terms on time. Negotiations about key issues were completed in 2009. The new scheme will not result in any exceptional item having to be recognised in the profit and loss account.

However, recent developments on the financial markets have reduced the value of pension investments and have led to expectations of a lower return. As a result, the company was required to report higher pension charges under IFRS and recognise a pension liability in its balance sheet in 2009.

These developments have had no impact on the employer contributions paid by Crown Van Gelder under the pension scheme in 2009, and will have no such impact in 2010 either.

At 31 December 2009, 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. Given the outcome of the test, there was no need for an impairment write-down nor a reversal. In 2008 the outcome of the test was reason for the company to recognise an impairment loss of EUR 18.5 million (before taxation) on tangible fixed assets.

REPORT OF THE MANAGEMENT BOARD

Market developments

The total order inflow for European manufacturers of woodfree uncoated paper (WFU) – the market where Crown Van Gelder operates – declined overall by 8% compared to 2008 (2008: -5% ; 2007: -5%, 2006: +4%).
In 2009 Crown Van Gelder reported a reduction in sales volume of 7% (14,000 ton) on 2008, whilst European demand for paper fell by 15% over the same period. Accordingly, the company has seen its market share increase.

The reduction in European sales was followed by production capacity closures, both on a temporary and permanent basis, so as to restore the balance between supply and demand. In the course of the year, this balance although improved was again affected negatively by the introduction of a 500,000 ton capacity paper machine in Portugal (Soporcel), and another 300,000 ton capacity paper machine in Germany, converted from woodfree coated into woodfree uncoated.

Despite improved market demand and machine usage in the second half of 2009, selling prices came under pressure. In 2009 average selling prices were down approximately 4%, including the negative effects of the continued decline of the GBP.
Average selling prices benefited from a further reduction of sales outside Europe to 10% of sales volumes (2008: 11%). This market traditionally has the lowest selling prices.

In 2009 a great deal of production time was spent on developing, testing and manufacturing new and improved products. We believe that new business development (NBD) is vital in order to replace existing products at the end of the product life cycle, and to absorb the effects of digitisation. In 2009 sales of new and improved products amounted to 49,000 ton, up 40% on 2008. The average selling price of NBD products exceeded the average price of all products. We are well under way to achieving our goal of producing 80,000 ton of new products in 2012. This is one of the company's key strategic goals (see Mission 2012).

Pulp prices

Due to the global economic downturn in the past year, pulp supplies decreased by 12% for Europe and by 10% for the United States compared to 2008. In contrast, supplies to Asia, especially China, increased by 60%.
This largely explains the low levels of stocks in Europe, which in the second half of the year eventually led to a price increase. Other contributing factors were the strong appreciation of the currencies of pulp producing countries against the USD, and the fact that high cost levels in local currency put pressure on manufacturers to adjust their selling prices.
The largest reduction in pulp prices was recorded in the first quarter of 2009, after which prices recovered robustly in the second half of the year. The NBSK benchmark pulp price fell to USD 580 per ton in March 2009, to recover to USD 800 at 31 December 2009 (up USD 160 on year-end 2008). As the USD weakened against the EUR in the course of 2009, the increase expressed in EUR was limited to 90 EUR. At year-end the NBSK benchmark price stood at EUR 580. Short-fibre pulp followed this same pattern, falling to USD 485 in April, and then picking up strongly after the summer, benefiting from capacity closures and extremely low stock levels, to stand at USD 700 at year-end. At 31 December 2009, short fibre pulp sold at EUR 485 per ton, up EUR 65 on the previous year.

Earnings per share and profit appropriation
In 2009 net earnings per depository receipt amounted to EUR 1.04 (2008: EUR 3.43 loss).
A proposal has been put to the shareholders to pay a dividend of EUR 0.50 per depository receipt for 2009 (2008: EUR 0.50), bringing the dividend pay-out over the past seven years to 79% of the net profit. 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. Given its satisfactory solvency and cash flow, the company decided to propose to the shareholders that the additional dividends be funded from the net profit of 2009.

CAPITAL EXPENDITURE

In 2009 capital expenditure totalled EUR 6.0 million (2008: EUR 6.3 million), mainly consisting of replacement investments and the purchase of raw materials storage tanks. Investments made in 2009 were funded from cash flow and existing lines of credit supplied by financial institutions.
At year-end 2009, EUR 9 million worth of loans was outstanding, and the company's solvency remained strong at 74% of the balance sheet total (2008: 73%).

SUSTAINABILITY REPORT

We believe the Sustainability Report will make a contribution to enhancing Crown Van Gelder's profile as a transparent and progressive company. The 2008 Sustainability Report was reviewed by PricewaterhouseCoopers Advisory at the request of the Dutch Ministry of Economic Affairs, against the Transparency Benchmark for Corporate Social Responsibility (CSR) Reporting. This benchmark was combined with the VBDO Transparency Yardstick (*VBDO Transparantiemeetlat*). Crown Van Gelder achieved 76 out of 100 points, which put the company in tenth place on the list of Dutch companies who had their sustainability reports reviewed. The consulting firm's report shows that Crown Van Gelder achieved a high score compared to peer companies.

For efficiency purposes, we previously decided to publish an English-language sustainability report once every two years, starting from 2008. This means that no full report will be published for 2009. However, we will continue to report on our sustainability goals in the Dutch version of the Sustainability Report. The results delivered on the various goals set out in Mission 2012 are also discussed in great detail in this report of the Management Board. Process emissions and other important data are posted annually on our website. A full report will again be published for 2010, modelled on the GRI (Global Reporting Initiative) Guidelines.

In Mission 2012 we have set ourselves ten targets all of which should have been achieved by 2012. The financial crisis and economic recession have had a significant impact on the results achieved in several areas in 2009. In this section, we will look at those targets which are not discussed elsewhere in this report of the Management Board.

The focus on customer service and service levels continues to be an area for improvement. We were unable to deliver on our targets for 2009. Complaints from customers rose from 2.8 per 1,000 ton of product sold in 2008 to 4.5 in 2009 (the target for 2012 having been set at 2). This was caused mainly by production efficiency due to the lower intake of orders, the large quantity of new products, and the remaining improvements made to our new ICT logistics system.

On a more positive note, we have been able to expand our customer base. In this respect, the company is well-positioned to achieve its target of 10% revenue from new customers in 2012.
Our efforts to render the company's energy use much more sustainable has led to the publication of a brochure on our website (www.cvg.nl). The brochure explains in great detail the company's considerations in making what it believes to be the right choice, having regard to the fact that we operate a round-the-clock business and set high standards for the safety and security of our equipment, whilst at the same time ensuring a proper return on equity and reducing the carbon footprint of our products.
An alternative solution does not seem entirely feasible at this point due to the changed market conditions, but we are keeping a close watch on technical developments, the prices of renewable fuels, and the availability of government grants for using sustainable equipment.

Our target for 2012 to procure 70% of pulp fibre from sustainably managed forests with a chain-of-custody certificate was already achieved in 2009, and has contributed to our reputation as a sustainable company.

The targets for good employment practice – expressed in terms of competencies achieved and accidents resulting in staff being unfit for work – are being delivered according to plan, although absenteeism is slightly raised. In 2009 we worked hard in various working groups and in consultation with the trade unions and Works Council to improve staff competencies, temporarily expanding staffing levels to allow employees to complete any necessary courses.
We were successful in filling vacancies with skilled employees. This will reduce the number of temporary jobs, especially once staff has completed their training.

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, Crown Van Gelder put in place its New Business Development (NBD) concept, into which its development operations were fully integrated. In 2009 the company sold well over 49,000 ton of new products (2008: 35,000 ton), which clearly delivered a positive 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 (e.g. energy saving, reduction of CO_2 emission levels). Projects carried out under the Paper Industry Energy Transition Plan 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

General
At year-end 2009, the company had 308 active members of staff on its payroll, compared to 300 staff

in the previous year. In 2009 staff competency levels were raised further. Over the next two years, this will require an additional investment of 8 FTEs per year. Absenteeism increased slightly from 4.5% in 2008 to 4.7% in 2009, partly due to prolonged periods of illness of several employees.

In 2009 three major change projects contributed to improving competency levels within the product organisation, technical department, and supply chain management department. Targets were achieved in terms of efficiency, leadership, and culture.

In 2008 we made the first preparations for setting up a Supply Chain Management (SCM) department. The department has been fully operational since mid-2009.
Because positions have been adjusted and are subject to new requirements, job profiles have been revised and jobs reclassified. Around 70 staff received a revised job profile in 2009. Where possible, job profiles provide for multi-functional duties.

Employee benefit costs

A new collective agreement came into force on 1 July 2009. It will run for a period of 24 months. The new agreement provides for an initial pay rise of 1.8% on 1 July 2009; an adjustment to the profit bonus, which is 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 334 for 2009 was paid to each employee in 2010 (2009: EUR 292).

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 delivered. The variable income is determined by the Supervisory Board. There is no option scheme in place for the Management Board.
The Management Board remuneration policy was submitted to and approved by the General Meeting of Shareholders in April 2009. Most importantly, changes were made to Management Board termination payments, which are now in compliance with best practices as identified in the Dutch Corporate Governance Code.
The remuneration policy is posted on the company's website at www.cvg.nl, in the Corporate Governance section.

CORPORATE GOVERNANCE

Following approval from the shareholders, the company's Articles of Association were amended and readopted on 13 July 2005. At the shareholders' meeting, corporate governance developments were discussed with the shareholders, with the Management Board providing a clarification of the company's reserve and dividend policies.

In September 2008, the Board of the company's trust office (Stichting Administratiekantoor Crown Van Gelder) decided not to call a meeting of depository receipt holders because only a few holders had expressed an interest in such a meeting. The trust office applies a threshold of 1% of the issued capital as a criterion to call a meeting of depository receipt holders.

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 company's website.

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. The annual reports will be available on our website from 22 March 2010.

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 2009

In 2009 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 2009, reviewed all existing controls. These reviews were conducted during internal audits (16 sessions), external audits (ISO 9001/14001 and OHSAS 18001 re-certification), and internal inspections. The internal and external audit and review findings were documented, reported to and, where necessary, discussed with the Management Board, Audit Committee and Supervisory Board

In auditing the company's financial statements, the external auditor also prepares a report on his findings concerning the risks accounted for in those statements. These findings are discussed with the Management Board, Audit Committee, and Supervisory Board.

In 2008 a new computer system was introduced, which involved taking once-only and additional control measures. In 2009 these controls were fully embedded in the internal risk management and control system.

For the report on internal risk management and control system ('in control statement') reference is made to the Corporate Governance chapter in this Annual Report.

Main risk area's

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 conditions may impact the company negatively. Due to the turbulence on the financial markets and its economic repercussions (and related uncertainties regarding financial institutions and global capital markets), high volatility of commodity and energy prices, and other developments affecting the world economy, customers and suppliers may experience serious cash flow problems, which in turn may affect 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 NBD (New Business Development) programme to strengthen our position as a niche player, and maintain and improve our market position.

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 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. We are investigating alternatives to meet our future needs for electricity and steam and become less dependent on natural gas, which is currently the main source of energy.

Operational risks

The prices of raw materials – pulp and energy prices, in particular – are major cost items. Our key non-integrated competitors largely face the same challenges. The Management Board actively strives 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.

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 2012.

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 use a standard method on the basis of which we have introduced a variety of measures. To mitigate the risks, we have signed service contracts with suppliers and implemented back-up and recovery procedures.

Quality complaints could lead to claims or reputational damage. To counteract 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 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 will 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 results.
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. The risk of any of our customers going bankrupt is currently higher than it has been in the past. This, and the reduced cover provided under our credit risk insurance policy, may adversely affect our financial performance.

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

Compliance risk

As we face rapidly changing laws on, among other things, financial reporting, 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 risk

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 cover 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. In connection with the possible outbreak of swine flu in the autumn of 2009, a plan of action was drawn up and measures prepared for by a working group. These measures and procedures are embedded in the business continuity plan (BCP).

STRATEGY

In 2009 Crown Van Gelder published a policy plan entitled Mission 2012 for the period up until 2012. This move was prompted by the fact that we had been doing less well than expected and failed to meet our 11% ROCE target. As a result of this and other factors, an additional impairment loss of EUR 18.5 million was recognised in 2008. This will lead to a long-term reduction in depreciation charges by well over EUR 2 million a year, allowing us to adhere to our 11% ROCE target.
More details are given in the Mission 2012 brochure, which can be found on our website.

MARKET DEVELOPMENTS

The credit crunch and ensuing economic recession have had a noticeable impact on the use of paper on our sales markets. Because of the limited availability of credit, stock levels have come under strong pressure and average order volume has fallen markedly for the majority of our customers. The situation was exacerbated by the fact that many of our customers saw their credit ratings reduced, forcing us to conduct smaller production runs and adversely affecting the company's operational efficiency. This 'pile-on effect' worsened because of the increased production of new products, which are initially manufactured in low volumes. All of these factors pose a substantial challenge for our production facility. As payment risks have increased, we have tightened our credit management procedures in consultation with our customers.

REPORT OF THE MANAGEMENT BOARD

Although the order portfolio has improved since the third quarter of 2009, there is still a great deal of uncertainty as to the rate of recovery. Coming out of the recession, usage patterns may well have changed on a long-term basis.

In addition to responding to current developments, it is important that our strategic plans and investments should also be geared to absorbing developments that have long-term effects. Three such developments are particularly relevant to the company, as set out in Mission 2012. They are outlined below. Details are also given of the actions taken by the company in response to these developments in 2009. They include:

1. *The rapid digitisation of society, trade and industry, as a result of which paper is becoming less important as a communication and storage medium;*
2. *The relocation of the paper industry to BRIC countries (Brazil, Russia, India and China), and accelerated consolidation and downsizing of the paper manufacturing and processing industry in Western Europe;*
3. *The move towards renewable energy generation in Western Europe.*

Partly due to the economic recession and government efficiency plans, the pace of digitisation in Western society has quickened. The impact on the use of paper has been significant, with luxury specialty papers the worst hit. This effect has been particularly noticeable in the coated paper sector. Traditional hardcopy forms will also increasingly be digitised and submitted via the Internet. This is likely to affect the European paper industry, mirroring the trends seen in the United States, where these effects have strongly been felt since 2002.

Crown Van Gelder regards these developments as an incentive to channel even more efforts into developing new specialty papers and applications which 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.

The paper industry is increasingly being relocated to the BRIC countries, a trend which went on unmistakably in 2009. The slide of the USD against the EUR weakened the competitiveness of the European paper industry, which put additional pressure on production capacity usage as European manufacturers attempted to sell the products they were unable to export on their home markets at very low prices. Also, an increase in swing tonnage was seen among manufacturers of coated paper grades, driven by capacity usage rates which were even lower than in our corner of the market.

As gas prices are falling, there does not appear to be an economically viable reason for making large investments in an alternative, renewable power plant. However, we will continue to explore the possibilities of renewable energy and keep a close watch on any new technological applications. Against this background, the company has already made provision to cover part of its gas requirements for the next few years.

DEVELOPMENTS IN THE PAST YEAR

2009 saw a substantial decline in the demand for woodfree uncoated paper – the paper grade sold by Crown Van Gelder.
The initial rapid reduction in pulp prices had a positive impact on sales margins. Overcapacities and the initial reduction in procurement costs put pressure on selling prices, especially in the fourth quarter.

In the fourth quarter prices of raw materials increased sharply. Initially, the financial impact of these combined factors was moderated by the decline of the USD, but in the fourth quarter of 2009 the USD began its recovery and sales margins rapidly came under pressure as a result.

Thanks to the strategy pursued, Crown Van Gelder is in an excellent position to benefit from any improvement in market conditions once supply and demand are better balanced, although this is unlikely to happen in 2010.

PROSPECTS FOR 2010

Conditions on Crown Van Gelder's traditional markets were not entirely clear-cut in early 2010. Although the order book was strong at the outset of 2010, this was partly due to customers replenishing stocks. We will continue developing new products and markets to improve our product/market mix.

By signing energy contracts for the period up until 2012, and partially locking in gas and electricity prices for this period, we expect to be able to keep energy costs in 2010 more or less at the level of 2009.

The pressure of pulp price increases is expected to continue unabated in 2010. The price rises are likely to encourage other raw materials suppliers to resume production in the short term. This, and the tightening of credit restrictions in China, may lead to price rises levelling off in the course of 2010. Due to recent market developments and the availability of credit facilities, however, it is unlikely that many new pulp factories will open and pulp prices may well increase as economic growth returns.
In terms of profit performance, the key question is whether we will be able to incorporate these cost increases in our selling prices when there is still overcapacity on the European markets.

In 2010 we are planning to invest around EUR 8 million, which is more or less in line with the level of depreciation. Part of these funds will go towards replacing component parts of the rewinding section, measures designed to make our facilities safer for employees, and regular replacement investments. We will also launch a number of smaller projects to improve the quality of our paper grades.

We expect to manufacture and sell approximately 200,000 ton of paper.

In the light of market uncertainties, we are unable to give an outlook for the development of results in 2010.

Velsen, The Netherlands, 19 March 2010

Mees Hartvelt	Miklas Dronkers
Chief Executive Officer	Chief Operating Officer

FINANCIAL STATEMENTS 2009

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Before profit appropriation)

EUR x 1,000	*Note*	*31 December 2009*		*31 December 2008*	
ASSETS					
Non-current assets					
Property, plant and equipment	(1)	57,898		60,405	
Intangible assets	(2)	2,078		1,897	
Investment in associate	(3)	1,272		1,331	
Other assets	(4)	2,492		2,602	
Deferred tax asset	(12)	5,394		5,813	
			69,134		**72,048**
Current assets					
Inventories	(5)	27,351		25,639	
Trade and other receivables	(6)	20,702		19,440	
Tax receivable	(23)	-		663	
Cash and cash equivalents	(7)	1,142		1,750	
			49,195		**47,492**
Total assets			**118,329**		**119,540**
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)	82,416		99,646	
Other reserves	(10)	(7,683)		(5,673)	
Result for the year	(9)	4,520		(14,921)	
			87,965		**87,764**
Non-controlling interests	(9)		**52**		**46**
Total equity			**88,017**		**87,810**
Non-current liabilities					
Employee benefit liability	(11)	3,306		-	
Deferred tax accruals	(12)	4,072		4,489	
			7,378		**4,489**
Current liabilities					
Interest-bearing liabilities	(13)	9,297		12,593	
Trade creditors	(14)	8,053		10,080	
Taxation and social security contributions		150		23	
Other short-term liabilities	(15)	5,434		4,545	
			22,934		**27,241**
Total liabilities			**30,312**		**31,730**
Total equity and liabilities			**118,329**		**119,540**

CONSOLIDATED INCOME STATEMENT

EUR x 1,000	*Note*		*2009*		*2008*
Revenue	(16)	144,669		160,780	
Other income	(17)	-		249	
			144,669		161,029
Costs related to revenue		(7,886)		(8,426)	
Raw materials, consumables and energy	(18)	(84,547)		(111,741)	
Change in inventories of finished goods	(19)	(1,728)		(158)	
Employee benefits cost	(20)	(21,705)		(19,376)	
Depreciation and amortisation	(21)	(8,275)		(9,773)	
Other expenses	(22)	(15,156)		(13,636)	
Total operating expenses			(139,297)		(163,110)
Operating result			**5,372**		**(2,081)**
Impairment on fixed assets			-		(18,500)
Operating result after impairment			**5,372**		**(20,581)**
Finance income		7		60	
Finance costs		(350)		(781)	
Net finance income	(28)		(343)		(721)
Share of after tax result of associate			391		569
Result before tax			**5,420**		**(20,733)**
Tax income / (expense)	(23)		(855)		5,851
Result for the year from continuing operations			**4,565**		**(14,882)**
Result for the year attributable to:					
Equity holders of the parent (net result)			4,520		(14,921)
Non-controlling interests			45		39
Result for the year from continuing operations			**4,565**		**(14,882)**
Basic earnings (in EUR) per depository receipt of share	(24)		1.04		(3.43)
Diluted earnings (in EUR) per depository receipt of share	(24)		1.04		(3.43)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR x 1,000	*Note*		*2009*		*2008*
Result for the year from continuing operations			**4,565**		**(14,882)**
Other comprehensive income					
Net gains / (losses) on cash flow hedges	(29)	242		(242)	
Income tax effect		(62)		62	
		180		(180)	
Actuarial gains / (losses) in respect of pension scheme	(11)	(12,469)		(10,687)	
Asset ceiling adjustment in respect of pension scheme	(11)	9,353		9,203	
Income tax effect		795		377	
		(2,321)		(1,107)	
Other comprehensive income for the year, net of tax			**(2,141)**		**(1,287)**
Total comprehensive income for the year, net of tax			**2,424**		**(16,169)**
Total comprehensive income for the year attributable to:					
Equity holders of the parent			2,379		(16,208)
Non-controlling interests			45		39
Total comprehensive income for the year, net of tax			**2,424**		**(16,169)**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR x 1,000		*2009*		*2008*
Operating activities				
Operating result		5,372		(2,081)
Adjustments for:				
Depreciation and amortisation	8,275		9,777	
Pension accounting	(30)		(1,553)	
		8,245		8,224
Movements in working capital:				
Trade and other receivables	(1,262)		4,262	
Inventories	(1,712)		3,393	
Trade creditors	(2,027)		(2,390)	
Other items	1,486		215	
		(3,515)		5,480
		10,102		11,623
Interest paid	(444)		(820)	
Interest received	7		60	
Income taxes received / (paid)	663		(153)	
		226		(913)
Net cash flow from operating activities		**10,328**		**10,710**
Investing activities				
Investments in property, plant and equipment	(5,438)		(5,433)	
Investments in intangible assets	(535)		(851)	
Dividends received	487		400	
Disposals of tangible fixed assets	24		-	
Net cash flow (used in) / from investing activities		**(5,462)**		**(5,884)**
Financing activities				
Dividends paid	(2,178)		(4,356)	
Interest-bearing liabilities	(3,296)		(15)	
Net cash flow (used in) / from financing activities		**(5,474)**		**(4,371)**
Increase / (decrease) in cash and cash equivalents		**(608)**		**455**
Cash and cash equivalents at 1 January		**1,750**		**1,295**
Cash and cash equivalents at 31 December		**1,142**		**1,750**

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 2008	**8,712**	**101,811**	**(4,386)**	**2,190**	**108,327**	**58**	**108,385**
Result for the period	-	-	-	(14,921)	(14,921)	39	(14,882)
Other comprehensive income / (loss)	-	-	(1,287)	-	(1,287)	-	(1,287)
Total comprehensive income	-	-	(1,287)	(14,921)	(16,208)	39	(16,169)
Paid dividends	-	(2,178)	-	(2,178)	(4,356)	-	(4,356)
Result appropriation	-	12	-	(12)	-	-	-
Dividends non-controlling interests	-	1	-	-	1	(51)	(50)
At 31 December 2008	**8,712**	**99,646**	**(5,673)**	**(14,921)**	**87,764**	**46**	**87,810**
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**

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 employs around 300 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 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.

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 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.

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, commodity and interest rate swaps to hedge its risks associated with foreign currency, energy price movements and interest rate 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's recognises actuarial gains and losses in other comprehensive income. 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. 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 employees of Crown Van Gelder.

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 equity. The cumulative gain or loss recognised in equity 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 forecast 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.

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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 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, 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 2009, 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 1 First-time Adoption of International Financial Reporting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
  IFRS 1 requires disclosures that explain how the transition from previous GAAP to IFRS affected the entity's reported financial position, financial performance and cash flows. It has been amended to allow an entity, in its separate financial statements, to determine the cost of investments in subsidiaries, jointly controlled or associates (in its opening IFRS financial statements) as one of the following amounts:
  • Cost determined in accordance with IAS 27;

• At fair value of the investment at the date of transition to IFRS, determined in accordance with IAS 39;
• The previous GAAP carrying amount of the investment at the date of transition to IFRS.

The revisions may be applied where the standard is used in earlier periods, but disclosure of such earlier adoption is required.

This standard has no impact on the financial statements of Crown Van Gelder.

• IFRS 2 Share-based Payments

IFRS 2 has been amended to give greater clarity in respect of vesting conditions and cancellations. This amendment is applied retrospectively, in accordance with IAS 8 in respect of changes in accounting policy.

This standard has no impact on the financial statements of Crown Van Gelder.

• IFRS 7 Financial Instruments: Disclosures

IFRS 7 has been amended to enhance disclosures about fair value measurement and liquidity risk. Measurement at fair value now requires instruments, measured at fair value, to be disclosed by the source of the inputs in determining fair value, using a three-level hierarchy. These levels are for disclosure purposes only and measurement continues in terms of the hierarchy in IAS 39. Furthermore, the minimum liquidity risk disclosures have been amended. These amendments are applied prospectively.

Crown Van Gelder has altered disclosures, where applicable.

• IFRS 8 Operating Segments

IFRS 8 is applicable for annual periods beginning on or after 1 January 2009. IFRS 8 replaces IAS 14. Management has reviewed the differences between IFRS 8 and IAS 14 and has concluded that the current disclosures meet the disclosure requirements compulsory in IFRS 8.

• IAS 1 Amendment: Presentation of Financial Statements

The IASB issued revised IAS 1 Presentation of Financial Statements in September 2007 which is effective for financial years beginning on or after 1 January 2009. The Standard separates owner and non-owner changes in equity. Therefore, the statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, the Standard introduces a Statement of Comprehensive Income: presenting all items of Comprehensive Income, either in one single statement, or in two linked statements. Furthermore, the standard has introduced a new terminology, for example replacing 'balance sheet' with 'statement of financial position'.

Crown Van Gelder has altered disclosures, where applicable.

• IAS 23 Borrowing Costs

The revised standard eliminates the option of expensing all borrowing costs and requires borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset.

The standard requires it to be adopted as a prospective change for annual periods beginning on or after 1 January 2009.

Crown Van Gelder N.V. does not hold qualifying assets.

• IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements, Puttable Financial Instruments and Obligations Arising on Liquidation

The standards have been amended to allow a limited scope for puttable financial instruments to be classified as equity if they fulfil a number of specified criteria.

This standard has no impact on the financial statements of Crown Van Gelder.

- IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives
  This amendment to IFRIC 9 requires an entity to assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of fair value through profit or loss category. IAS 39 now states that if an embedded derivative cannot be reliably measured, the entire hybrid instrument must remain classified as at fair value through profit or loss.
  This standard has no impact on the financial statements of Crown Van Gelder.

- IFRIC 13 Customer Loyalty Programmes
  IFRIC 13 has become effective for financial years beginning on or after 1 July 2008. The standard has been endorsed by the EU for financial years beginning on or after 1 January 2009. This interpretation requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted.
  This standard has no impact on the financial statements of Crown Van Gelder.

- Improvements to IFRSs
  In May 2008, the IASB issued a first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard.
  Amendments resulting from Improvements to IFRSs did not have any impact on the accounting policies, financial position or the performance of Crown Van Gelder N.V. unless already covered in this paragraph.

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

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters
  IFRS 1 has been amended to provide additional exemptions from full retrospective application of IFRS for the measurement of oil and gas assets and leases and is effective for annual periods beginning on or after 1 January 2010.
  The interpretation has not yet been endorsed by the EU.
  This standard has no impact on the financial statements of Crown Van Gelder.

- 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.
  The interpretation has not yet been endorsed by the EU.
  This standard has no impact on the financial statements of Crown Van Gelder.

- IFRS 9 Financial Instruments
  The IASB has published phase 1 of IFRS 9 Financial Instruments, the accounting standard that will eventually replace IAS 39 Financial Instruments: Recognition and Measurement. Phase 1 establishes a new classification and measurement framework for financial assets. At initial recognition, all financial assets are measured at fair value. For subsequent measurement, financial assets that are debt instruments are classified at amortised cost or fair value through profit and loss on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. All other debt instruments are subsequently measured at fair value through profit and loss. All financial assets that are equity investments are measured at fair value either through profit or loss or other comprehensive income. The interpretation has not yet been endorsed by the EU. The company is currently investigating the impact of adopting this standard.

• IFRS 3 Business Combinations – Revised
The IASB issued the revised Business Combinations standard in January 2008 which will be effective for financial years beginning on or after 1 July 2009. The standard introduces changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.
This standard has no impact on the financial statements of Crown Van Gelder.

• IAS 24 Related Party Disclosures – Revised
The IASB has revised IAS 24 in response to concerns that the previous disclosure requirements and the definition of a 'related party' were too complex and difficult to apply in practice, especially in environments where government control is pervasive. The revised standard addresses these concerns by providing a partial exemption for government-related entities and a revised definition of a related party.
This standard has no impact on the financial statements of Crown Van Gelder.

• IAS 27 Consolidated and Separate Financial Statements
IAS 27 is effective for periods beginning on or after 1 July 2009. This amendment describes the impact of transactions where control is lost / not lost and the allocation of losses of a subsidiary and how it will impact the reported profit and loss of an entity, both in terms of timing and on an aggregate basis.
Management has concluded that the new standard has no impact on the financial statements of Crown Van Gelder.

• IAS 32 Financial Instruments: Presentation – Classification of Rights Issues
The amendment alters the definition of a financial liability in IAS 32 to classify rights issued and certain options or warrants (together, here termed rights) as equity instruments. The amendment provides relief to entities that issue rights in a currency other than their functional currency, from treating the rights as derivatives with fair value changes recorded in profit or loss. Such rights will now be classified as equity instruments when certain conditions are met.
This standard has no impact on the financial statements of Crown Van Gelder.

• IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedge Items
This IAS 39 amendment is effective for periods beginning on or after 1 July 2009. 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 NV has concluded that the amendment will have no impact on the financial position or performance of Crown Van Gelder NV, as Crown Van Gelder NV has not entered into any such hedges.

• Amendment to IFRIC 14 / IAS 19 – Prepayments of a Minimum Funding Requirements
The practical implication of IFRIC 14 has revealed some unintended and counterintuitive results in case of prepayments of future minimum funding requirements. As a result the IASB issued a limited amendment to fix this problem.
The amendment allows the recognition of the prepayment as an asset and then apply the normal IFRIC 14 rules as if no prepayment had been made. As the current defined benefit scheme is in deficit, the adoption of this interpretation had no impact on the financial position or the performance of Crown Van Gelder N.V.

• IFRIC 15 Agreements for the Construction of Real Estate
IFRIC 15 concludes that the recording of revenue during the construction of a project (e.g. apartments) among real estate developers is permitted only if specific conditions have been met.
This standard has no impact on the financial statements of Crown Van Gelder.

• IFRIC 16 Hedges of a Net Investment in a Foreign Operation
The IFRIC issued IFRIC 16 in July 2008. This interpretation provides guidance on the accounting for a hedge of a net investment. This interpretation will be effective prospectively for financial years beginning on or after 1 October 2008.
This standard has no impact on the financial statements of Crown Van Gelder.

• IFRIC 17 Distributions of Non-cash Assets to Owners
IFRIC 17 is effective for periods beginning on or after 1 July 2009. It provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends.
This standard has no impact on the financial statements of Crown Van Gelder.

• IFRIC 18 Transfer of Assets from Customers
IFRIC 18 provides guidance on how to account for items of property, plant and equipment received from customers, or cash that is received and used to acquire or construct specific assets. This standard is to be applied for transfer of assets on or after 1 July 2009.
This standard has no impact on the financial statements of Crown Van Gelder.

• IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
IFRIC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments clarifies the requirements of International Financial Reporting Standards (IFRSs) when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially.
This standard has no impact on the financial statements of Crown Van Gelder.

• Improvements to IFRSs
In April 2009, the IASB issued a 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. anticipates that these changes will have no material effect on the financial statements, unless recorded above.

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 2008	20,219	179,560	1,336	1,465	202,580
Additions	850	2,168	463	1,952	5,433
Disposals	-	(1,259)	(92)	-	(1,351)
At 31 December 2008	**21,069**	**180,469**	**1,707**	**3,417**	**206,662**
Depreciation					
At 1 January 2008	11,712	106,614	1,015	-	119,341
Disposals	-	(1,259)	(92)	-	(1,351)
Depreciation for the year	926	8,696	146	-	9,768
Impairment on PP&E	1,981	16,366	153	-	18,500
At 31 December 2008	**14,619**	**130,417**	**1,222**	**-**	**146,258**
Book value					
At 1 January 2008	**8,507**	**72,946**	**321**	**1,465**	**83,239**
At 31 December 2008	**6,450**	**50,052**	**485**	**3,417**	**60,405**
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**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In 2008, the EUR 18.5 million impairment loss represented the write-down of certain property, plant and equipment to the recoverable amount. This has been recognised in the income statement in the line 'Impairment on fixed assets'.
The recoverable amount was based on value in use and the recoverable amount of the Net Assets is estimated to be EUR 84.5 million. The cash flows were discounted at a rate of 8.0% on a pre-tax basis.
The impairment test is a result of an indication of impairment under IAS. The carrying amount of the Net Assets has been above its market capitalisation for a couple of years (IAS 36 p.12). The difference increased further during 2008.
The main cause of the extra write-off on fixed assets was 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. Due to this effect, the expected gross margin per ton used in the calculations was lower then used in earlier forecasts.

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. Management has reviewed both external and internal sources of information and concluded that no such reversal is required nor that an additional impairment is necessary.

None of the above mentioned 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 (2008: 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.

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 2008	563	1,033	1,596
Additions (acquired)	1,884	(1,033)	851
Disposals	-	-	-
At 31 December 2008	**2,447**	**-**	**2,447**
Amortisation			
At 1 January 2008	541	-	541
Amortisation for the year	9	-	9
Disposals	-	-	-
At 31 December 2008	**550**	**-**	**550**
Book value			
At 1 January 2008	**22**	**1,033**	**1,055**
At 31 December 2008	**1,897**	**-**	**1,897**

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**

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.
For the commitments concerning software we refer to note 25.

INVESTMENT IN ASSOCIATE (3)

Movements in the associate can be detailed as follows:

EUR x 1,000	*2009*	*2008*
At 1 January	1,331	1,162
Share of result	391	569
Dividends received	(450)	(400)
At 31 December	**1,272**	**1,331**

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*
2008					
International Forwarding Office B.V.	4,627	2,094	2,430	949	50
2009					
International Forwarding Office B.V.	3,876	1,401	2,243	782	50

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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	*2009*	*2008*
At 1 January	2,602	2,711
Allocated to the income statement	(110)	(109)
At 31 December	**2,492**	**2,602**

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

INVENTORIES (5)

Inventories can be detailed as follows:

EUR x 1,000	*2009*	*2008*
Raw materials	10,861	7,207
Other materials	5,839	6,053
Finished goods	10,651	12,379
At 31 December	**27,351**	**25,639**

No extraordinary write-down of inventories has been made during the financial year.

TRADE AND OTHER RECEIVABLES (6)

Trade and other receivables can be detailed as follows:

EUR x 1,000	*2009*	*2008*
Trade receivables	19,857	17,066
Other receivables	425	564
Accrued income and prepayments	420	1,810
At 31 December	**20,702**	**19,440**

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 2009, trade receivables at nominal value of EUR 248 (2008: EUR 211) were impaired and fully provided for.

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

EUR x 1,000	*2009*	*2008*
Provision – past due		
At 1 January	126	-
Charge for the year	401	451
Utilised	(304)	(325)
Unused amounts reversed	(133)	-
At 31 December	**90**	**126**

EUR x 1,000	*2009*	*2008*
Provision – impaired		
At 1 January	85	85
Charge for the year	304	325
Utilised	(230)	(325)
Unused amounts reversed	(1)	-
At 31 December	**158**	**85**

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.

EUR x 1,000	*Nominal value*	*Provision*	*Book value*
Outstanding receivables – current	15,966	-	15,966
Outstanding receivables – past due	1,226	126	1,100
	17,192	126	17,066
Outstanding receivables – impaired	85	85	-
At 31 December 2008	**17,277**	**211**	**17,066**

EUR x 1,000	*Nominal value*	*Provision*	*Book value*
Outstanding receivables – current	18,635	-	18,635
Outstanding receivables – past due	1,312	90	1,222
	19,947	90	19,857
Outstanding receivables – impaired	158	158	-
At 31 December 2009	**20,105**	**248**	**19,857**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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*
2008	**17,066**	15,966	851	230	6	-	13
2009	**19,857**	18,635	1,007	200	3	-	12

At 31 December 2009, the company held seven forward exchange contracts (2008: six). Reference is made to note 27.

CASH AND CASH EQUIVALENTS (7)

Cash and cash equivalents can be detailed as follows:

EUR x 1,000	*2009*	*2008*
Cash at bank and in hand	1,142	1,750
At 31 December	**1,142**	**1,750**

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)	*2009*	*2008*
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	*EUR x 1,000*
Ordinary shares	871.2	8,712
Preference shares	-	-
At 31 December	**871.2**	**8,712**

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 2008	**8,712**	**101,811**	**(4,386)**	**2,190**	**108,327**	**58**	**108,385**
Net gains / (losses) on cash flow hedges	-	-	(180)	-	(180)	-	(180)
Actuarial gains / (losses) in respect of pension scheme	-	-	(7,963)	-	(7,963)	-	(7,963)
Asset ceiling adjustments in respect of pension scheme	-	-	6,856	-	6,856	-	6,856
Result for the period	-	-	-	(14,921)	(14,921)	39	(14,882)
Total comprehensive income	-	-	(1,287)	(14,921)	(16,208)	39	(16,169)
Paid dividends	-	(2,178)	-	(2,178)	(4,356)	-	(4,356)
Result appropriation	-	12	-	(12)	-	-	-
Dividends non-controlling interests	-	1	-	-	1	(51)	(50)
At 31 December 2008	**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**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OTHER RESERVES (10)

EUR x 1,000	*Asset ceiling pension accounting*	*Actuarial gains / losses*	*Cash flow hedge reserve*	*Total*
At 1 January 2008	**(13,375)**	**8,989**	**-**	**(4,386)**
Movements in 2008				
Recognition in other comprehensive income	6,856	(7,963)	-	(1,107)
Net gains / (losses) on cash flow hedges				
Charge for the year	-	-	180	180
Allocated to the income statement	-	-	(360)	(360)
At 31 December 2008	**(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 movement	(449)	580	-	131
At 31 December 2009	**-**	**(7,683)**	**-**	**(7,683)**

Nature and purpose of the 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 status, 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. For 2006, 2007 and 2008, the method used to determine the potential asset ceiling adjustments requires the company to determine the difference between the present values (at the discount rate used in the valuations) of the expected future service cost, minus expected future employees' contributions, and the expected future employer contributions. This difference represents the present value of expected economic benefits. When the present value of expected economic benefits is lower than the funded status, the company may only recognise a net pension asset to that lower value. The adjustments resulting from asset ceiling run through other comprehensive income and are presented under other reserves.
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 income tax rate.

Cash flow hedge reserve
The cash flow hedge reserve 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.

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. The new 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 fully funded on the basis of Dutch statutory and supervisory rules.

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

EUR x 1,000	*2009*	*2008*
Defined benefit obligation (DBO) at 31 December	(96,237)	(93,189)
Plan assets at 31 December	92,931	102,542
Funded status	(3,306)	9,353
Amounts not recognised as an asset, because of limit 19.58(b) [(1)]	-	(9,353)
Employee benefit liability at 31 December	**(3,306)**	-

(1) In 2008, according to paragraph 58, 58A an 58B (asset ceiling), Crown Van Gelder had a defined benefit asset of EUR 9,353 but could not, based on the current terms of the plan, recover that asset fully through refunds or reductions in future contributions. The net pension asset comprises the present value of the economic benefit available in the form of refunds or reductions in future contributions. At year-end 2008, this number has been determined to be nil. For further insight, reference is made to note 10.

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

EUR x 1,000	*2009*	*2008*
Defined benefit obligation (DBO) at opening balance	93,189	89,777
Service cost (including employee contributions)	1,876	1,789
Interest cost	5,003	4,560
Actuarial (gains) / losses	1,280	1,368
Benefits paid	(5,111)	(4,305)
Defined benefit obligation (DBO) at 31 December	**96,237**	**93,189**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

EUR x 1,000	*2009*	*2008*
Plan assets at opening balance	102,542	108,333
Expected return on plan assets	4,832	5,928
Actuarial gains / (losses)	(11,189)*	(9,319)*
Contributions	1,858	1,905
Benefits paid	(5,112)	(4,305)
Plan assets at 31 December	**92,931**	**102,542**

*) At year-end 2008 and 2009, 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	*2009*	*2008*
Net pension asset at 1 January	-	-
Contributions paid	1,281	1,430
Net pension benefit / (expense) recognised in the income statement	(1,470)	53
Recognition in other comprehensive income	(3,117)	(1,483)
At 31 December	**(3,306)**	**-**

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

EUR x 1,000	*2009*	*2008*
Current service costs	1,299	1,315
Interest on obligation	5,003	4,560
Expected return on plan assets (2)	(4,832)	(5,928)
Total net pension expense / (benefit)	**1,470**	**(53)**

(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 2009 is equal to EUR (5,780) (2008: EUR (3,392)).

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

EUR x 1,000		*2009*		*2008*
At 1 January		2,153		12,840
Actuarial gains / (losses) recognised in the 'Consolidated Statement of Comprehensive Income'	(9,289)		(7,963)	
Recognised in deferred tax (assets) / accruals	(3,180)		(2,724)	
		(12,469)		(10,687)
At 31 December		**(10,316)**		**2,153**

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	*2009*	*2008*
Equities	5%	6%
Bonds	84%	78%
Real Estate	11%	16%

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

In %	*Used in 2009*	*Used in 2008*
Discount rate	5.31	5.41
Expected return on plan assets	5.30	6.10
General salary increase	2.39	2.38
Pension increase	2.23	2.26

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

EUR x 1,000	*2009*	*2008*	*2007*	*2006*	*2005*
The present value of the defined benefit obligation	(96,237)	(93,189)	(89,777)	(93,986)	(103,037)
The fair value of plan assets	92,931	102,542	108,333	111,688	109,109
Funded status	(3,306)	9,353	18,556	17,702	6,072
Experience gains / (losses) on plan liabilities					
Amount	53	(3,379)	3,478	2,415	(6,165)
Actuarial return less expected return on plan assets					
Amount	(11,189)	(9,319)	(6,383)	(6)	7,900

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 2010 amounts to EUR 1.5 mln.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DEFERRED TAX ASSETS AND ACCRUALS (12)

The deferred tax assets relate to the following:

EUR x 1,000		*2009*		*2008*
Deferred tax assets				
Property, plant and equipment	1,851		486	
Pension	824		(59)	
Inventories	134		(313)	
		2,809		114
Losses available for offset against future taxable income		2,585		5,699
At 31 December		**5,394**		**5,813**

The deferred tax accruals relates to the following:

EUR x 1,000		*2009*		*2008*
Deferred tax accruals				
EIA tax allowance	4,072		4,489	
At 31 December		**4,072**		**4,489**

Deferred tax assets have been valued at expected future tax rates (25.5% for 2010) and are estimated to be mostly long-term.
The deferred tax accruals at 31 December 2009 comprise an amount of EUR 4.1 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 the statutory 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 shareholder's equity were as follows:

EUR x 1,000		*2009*		*2008*
Movements charged or credited directly to shareholders' equity				
Cash flow hedging	(62)		62	
Pension accounting	795		379	
Total		**733**		**441**

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

EUR x 1,000	*2009*	*2008*
Movements charged or credited to the income statement		
EIA tax Allowance	417	417
Total	**417**	**417**

INTEREST-BEARING LIABILITIES (13)

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 2009 an amount of EUR 9.3 million of these credit facilities was used.

TRADE CREDITORS (14)

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

OTHER SHORT-TERM LIABILITIES (15)

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

NOTES TO THE CONSOLIDATED INCOME STATEMENT

REVENUE (16)

Revenue can be detailed as follows:

EUR x 1,000	*2009*	*2008*
Revenue of paper sales	139,798	156,235
Supply of energy	4,871	4,545
Total	**144,669**	**160,780**

The geographical distribution of paper sales and revenue in 2009 and 2008 were as follows:

In %	*Sales of paper*		*Total revenue*	
	2009	*2008*	*2009*	*2008*
Netherlands	15	14	18	17
Germany	24	24	22	23
United Kingdom	11	14	11	13
Belgium / Luxembourg	11	13	12	14
France	16	15	17	16
Other European countries	13	9	13	9
Other countries	10	11	7	8
Total	**100**	**100**	**100**	**100**

OTHER INCOME (17)

Other income can be detailed as follows:

EUR x 1,000	*2009*	*2008*
Income from EU CO_2 allowances	-	249
Total	-	**249**

In 2008 Crown Van Gelder settled a swap of EUAs (European Union Allowances) for CERs (Certified Emission Reductions), in order to take advantage of the price differential between EUAs and CERs. The delivery obligation was 70,000 EUAs for which Crown Van Gelder received 70,000 CERs and an additional amount of EUR 0.2 million.

For the period 2008 until 2012, Crown Van Gelder has been allocated 147,933 CO_2 allowances on an annual basis. In 2009 total CO_2 emissions of Crown Van Gelder amounted to around 140,000 ton. The market value of the surplus at 31 December 2009 is around EUR 0.2 million.

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	*2009*	*2008*
Raw materials and consumables	63,968	91,640
Water	544	501
Packaging	2,000	2,385
Energy	18,035	17,215
Total	**84,547**	**111,741**

CHANGE IN INVENTORIES OF FINISHED GOODS (19)

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

EUR x 1,000	*2009*	*2008*
Finished goods at 1 January	12,379	12,537
Finished goods at 31 December	10,651	12,379
Change in inventories of finished goods	(1,728)	(158)
Other movements	-	-
Total	**(1,728)**	**(158)**

EMPLOYEE BENEFITS COSTS (20)

The employee benefits costs can be detailed as follows:

EUR x 1,000	*2009*	*2008*
Wages and salaries	15,931	14,772
Social security contributions	1,842	1,851
Other staff costs	2,462	2,806
Net pension expense / (benefit)	1,470	(53)
Total	**21,705**	**19,376**

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 2009 was 301 (2008: 291).

NOTES TO THE CONSOLIDATED INCOME STATEMENT

DEPRECIATION AND AMORTISATION (21)

The depreciation and amortisation can be detailed as follows:

EUR x 1,000	*2009*	*2008*
Depreciation property, plant and equipment	7,945	9,768
Amortisation intangible assets	354	9
Gain on asset sale	(24)	(4)
Total	**8,275**	**9,773**

OTHER EXPENSES (22)

Other expenses can be detailed as follows:

EUR x 1,000	*2009*	*2008*
Maintenance costs	6,580	6,032
Leasing	405	414
Other operating expenses	8,171	7,190
Total	**15,156**	**13,636**

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		*2009*		*2008*
Current tax expense				
Current year tax (income) / expense	1,262		(5,449)	
Movements due to limit on deductibility	10		15	
		1,272		(5,434)
Movements in deferred tax and accruals				
Movements due to timing differences and release of EIA tax allowance	(417)		(417)	
		(417)		(417)
Total		**855**		**(5,851)**

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

In % and EUR x 1,000		*2009*		*2008*
Result on ordinary activities before taxation		5,420		(20,733)
Less share of result of associate		(391)		(569)
Accounting result before tax		5,029		(21,302)
	In %		*In %*	
Statutory tax rate	25.1	1,262	(25.6)	(5,449)
Reduction by tax allowances	(8.1)	(407)	(1.9)	(402)
Total effective tax rate	**17.0**	**855**	**(27.5)**	**(5,851)**

The following table illustrates the composition of current tax receivable:

EUR x 1,000		*2009*		*2008*
Current tax receivable				
Income tax, due to preliminary tax assessments that were based on a higher result before taxation	-		429	
Income tax relating to preceding year	-		209	
		-		638
Movements in deferred tax and accruals				
Release to income statement of cash flow hedge	-		62	
Accounts receivable	-		(37)	
		-		25
Total		-		**663**

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:

	2009	*2008*
Result for the year attributable to equity holders of the parent (EUR x 1,000)	4,520	(14,921)
Weighted average number of depository receipts of shares (thousands)	4,356	4,356
Basic earnings per depository receipt of share (EUR)	1.04	(3.43)
Diluted earnings per depository receipt of share (EUR)	1.04	(3.43)

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	*2009*	*2008*
Within one year	405	414
Between one and five years	670	989
Longer than five years	33	33
Total	**1,108**	**1,436**

Capital expenditure commitments

At 31 December 2009, Crown Van Gelder had commitments amounting to EUR 2.3 million (2008: 1.4 million).

Guarantees

There were no bank guarantees issued at the balance sheet date (2008: 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 17 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 for the financial year 2009:

EUR x 1,000	*2009*	*2008*
Outstanding balances as per year-end	283	234
Commission fees during the year	197	198

The sales to and purchases from related parties are made at normal market prices. Outstanding balances at the 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.

Transactions with other related parties

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

EUR x 1,000	*2009*	*2008*
Mees Hartvelt, Chief Executive Officer		
Fixed remuneration	220	207
Variable remuneration	76	30
Pension costs	67	22
Total	**363**	**259**

EUR x 1,000	*2009*
Miklas Dronkers, Chief Operating Officer Appointed as per 1 May 2009	
Fixed remuneration	98
Variable remuneration	31
Pension costs	14
Total	**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. The non-financial objectives have all largely been met.
Pension costs of the Management Board are based on its pensionable salary.
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	*2009*	*2008*
Berry Bemelmans, Chairman	24	24
Klaas Schaafsma	19	19
Han Wagter	19	19
Emile Bakker	19	19
Total	**81**	**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 financial derivatives, outstanding at year-end 2008, are cash flow hedges and derivatives at fair value through profit and loss. At year-end 2009, seven forward exchange contracts were outstanding.

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.

EUR x 1,000	*2009*	*2008*
Impact of currency changes on result before tax		
Increase / (decrease) in USD rate		
-5%	(50)	32
5%	50	(32)
Increase / (decrease) in GBP rate		
-5%	(154)	(44)
5%	154	44

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 2009, 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	*2009*	*2008*
Average outstanding balance	8,788	15,111
Finance costs	350	781
Average interest rate %	3.98%	5.17%
Increase / (decrease) in base points		
(50)	44	76
(25)	22	38
25	(22)	(38)
50	(44)	(76)

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 2009		
Financial assets		
Trade and other receivables	20,702	20,702
Cash and cash equivalents	1,142	1,142
Financial liabilities		
Bank overdrafts	9,297	9,297
Trade and other payables	13,637	13,637

EUR x 1,000	*Book value*	*Fair value*
At 31 December 2008		
Financial assets		
Trade and other receivables	19,985	19,985
Derivatives at fair value through profit and loss	383	383
Cash and cash equivalents	1,750	1,750
Financial liabilities		
Bank overdrafts	12,593	12,593
Derivatives in effective hedges	265	265
Trade and other payables	14,647	14,647

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 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)

At 31 December 2008, the company held six forward exchange contracts.

Forward exchange contracts	*Exchange Rate*	*Expiration Date*	*Fair Value EUR x 1,000*
Sell			
GBP 900,000	EUR/GBP 0.84085	8 January 2009	127
GBP 900,000	EUR/GBP 0.84050	5 February 2009	128
GBP 900,000	EUR/GBP 0.84025	8 March 2009	128
Buy			
USD 3,500,000	EUR/USD 1.30200	8 January 2009	(188)
USD 2,500,000	EUR/USD 1.34310	8 January 2009	(76)
USD 1,000,000	EUR/USD 1.39875	8 January 2009	(1)

All three GBP forward exchange contracts were initially recognized as cash flow hedges. Subsequent effectivity testing revealed them to be ineffective. Therefore the derivatives were classified as derivatives held for sale and the value of the contracts were transferred to the income statement.
The three USD forward exchange contracts qualify at year-end as effective cash flow hedges, until 2008 no profit or loss is recognized in the income statement on those contracts. During 2009, the net unrealised losses on cash flow hedges

(EUR 180), as recognised in equity at year-end 2008, has been recognized in the income statement, in the line 'Revenue'. Reference is made to note 9.

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.

All contracts are classified as other short-term assets and liabilities.

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	*2009*	*2008*
Financial assets at fair value through profit and loss	(242)	360
Financial liabilities at fair value through profit and loss	-	-
	(242)	**360**

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

Fair value hierarchy
As at 31 December 2009, Crown Van Gelder held the following financial instruments measured at fair value:

Assets measured at fair value

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	-

Crown Van Gelder 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.

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*
2009				
Trade payables	8,053	-	-	8,053
Other short-term liabilities	3,272	-	-	3,272
Total	**11,325**	**-**	**-**	**11,325**
2008				
Derivatives at fair value through profit and loss	265	-	-	265
Trade payables	10,080	-	-	10,080
Other short-term liabilities	2,744	-	-	2,744
Total	**13,089**	**-**	**-**	**13,089**

Depending on both external developments and management decisions, both the outstanding credit-facility and effective interest-rate will fluctuate over time. Consequently, assessing the amount of interest due for the coming year is ambiguous. The company's best estimate for the 2010 interest payments is the 2009 interest expense, as recorded in note 28.

NET FINANCE INCOME (28)

Finance income

EUR x 1,000	*2009*	*2008*
Interest from outstanding cash and equivalents	1	16
Interest from non-related parties	6	44
	7	60

Finance costs

EUR x 1,000	*2009*	*2008*
Interest on interest bearing-liabilities	350	781

COMPONENTS OF OTHER COMPREHENSIVE INCOME (29)

EUR x 1,000	*2009*	*2008*
Cash flow hedges		
Gains / (losses) arising during the year on forward exchange contracts	222	118
Reclassification adjustment for gains included in the income statement	20	(360)
	242	(242)

(Before profit appropriation)

EUR x 1,000	*Note*	*31 December 2009*		*31 December 2008*	
ASSETS					
Fixed assets					
Intangible fixed assets	(I)	2,078		1,897	
Tangible fixed assets	(II)	47,992		52,161	
Financial fixed assets	(III)	9,397		9,997	
			59,467		**64,055**
Current assets					
Inventories	(IV)	27,351		25,639	
Accounts receivable	(V)	28,926		26,991	
Cash and cash equivalents	(VI)	878		1,494	
			57,155		**54,124**
Total assets			**116,622**		**118,179**
EQUITY AND LIABILITIES					
Shareholders' equity					
Subscribed and paid-up capital	(VII)	8,712		8,712	
Legal reserve	(VIII)	1,186		1,245	
Retained earnings	(VIII)	81,230		98,401	
Other reserve	(VIII)	(7,683)		(5,673)	
Result for the year	(VIII)	4,520		(14,921)	
Total equity			**87,965**		**87,764**
Provisions					
Employee benefit liability	(IX)	3,306		-	
Provision for deferred tax liabilities and accruals	(X)	4,072		4,489	
			7,378		**4,489**
Short term liabilities					
Interest-bearing liabilities		9,297		12,593	
Trade creditors	(XI)	6,440		8,774	
Taxation and social security contributions		118		-	
Other short-term liabilities		5,424		4,559	
			21,279		**25,926**
Total shareholders' equity and liabilities			**116,622**		**118,179**

COMPANY PROFIT AND LOSS ACCOUNT

EUR x 1,000	*2009*	*2008*
Result from subsidiaries and associates	414	569
Other result	4,106	(15,490)
Net result	**4,520**	**(14,921)**

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 2008	20,219	154,883	1,301	1,465	177,868
Additions	850	1,782	461	1,952	5,045
Disposals at cost	-	(1,115)	(92)	-	(1,207)
Balance sheet at 31 December 2008	**21,069**	**155,550**	**1,670**	**3,417**	**181,706**
Depreciation					
At 1 January 2008	11,712	93,310	1,000	-	106,022
Disposals	-	(1,115)	(92)	-	(1,207)
Depreciation for the year	926	7,854	141	-	8,921
Impairment on PP&E	1,981	13,675	153	-	15,809
Balance sheet at 31 December 2008	**14,619**	**113,724**	**1,202**	**-**	**129,545**
Book value					
At 1 January 2008	**8,507**	**61,573**	**301**	**1,465**	**71,846**
At 31 December 2008	**6,450**	**41,826**	**468**	**3,417**	**52,161**
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**

FINANCIAL FIXED ASSETS (III)

Financial fixed assets can be detailed as follows:

EUR x 1,000		*2009*	*2008*
Subsidiaries	(A)	239	252
Investment in associate	(B)	1,272	1,331
Other assets	(C)	2,492	2,601
Deferred tax asset	(D)	5,394	5,813
Balance sheet at 31 December		**9,397**	**9,997**

(A) Subsidiaries

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

Balance sheet at 31 December 2008	252
Net result subsidiaries	24
Dividends received	(37)
Balance sheet at 31 December 2009	**239**

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	*2009*	*2008*
Trade receivables	19,836	17,046
Group companies	8,652	7,167
Tax receivable	-	652
Other receivables	438	2,126
Balance sheet at 31 December	**28,926**	**26,991**

CASH AND CASH EQUIVALENTS (VI)

Cash and cash equivalents can be detailed as follows:

EUR x 1,000	*2009*	*2008*
Cash at bank and in hand	878	1,494
Balance sheet at 31 December	**878**	**1,494**

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 2008	**8,712**	**1,076**	**100,735**	**(4,386)**	**2,190**	**108,327**
Net gains / (losses) on cash flow hedges	-	-	-	(180)	-	(180)
Actuarial gains / (losses) in respect of pension scheme	-	-	-	(7,963)	-	(7,963)
Asset ceiling adjustments in respect of pension scheme	-	-	-	6,856	-	6,856
Result for the year	-	-	-	-	(14,921)	(14,921)
Total recognised income and expense	-	-	-	(1,287)	(14,921)	(16,208)
Result appropriation	-	-	12	-	(12)	-
Paid dividends	-	-	(2,178)	-	(2,178)	(4,356)
Other movement	-	169	(168)	-	-	1
Balance sheet at 31 December 2008	**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 recosnised income and expense	-	-	-	(2,141)	4,520	2,379
Result appropriation	-	-	(14,921)	-	14,921	-
Paid dividends	-	-	(2,178)	-	-	(2,178)
Other movement	-	(59)	(72)	131	-	-
Balance sheet at 31 December 2009	**8,712**	**1,186**	**81,230**	**(7,683)**	**4,520**	**87,965**

Nature and purpose of the reserves

Legal reserve

The legal reserve has been created for the accumulated results to the extend 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.

TRADE CREDITORS (XI)

Trade creditors can be detailed as follows:

EUR x 1,000	*2009*	*2008*
Trade creditors	6,440	8,774
At 31 December	**6,440**	**8,774**

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		*2009*		*2008*
Assurance services				
Audit of financial statements	118		122	
Other assurance services	-		14	
		118		136
Other assignments				
Tax assurance	4		18	
Miscellaneous services	26		-	
		30		18
Total		**148**		**154**

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 2009 of Crown Van Gelder N.V., Velsen. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2009, the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at 31 December 2009, the company profit and loss account for the year then ended and the notes.

Management's responsibility
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 2009, and of 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 Netherlands 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 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements
Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

The Hague, 19 March 2010

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

DIRECTORS' STATEMENT

The 2009 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 2009 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 2009 financial statements. The 2009 Annual Report describes the principal risks which Crown Van Gelder N.V. is facing.

Management Board	**Supervisory Board**
Mees Hartvelt, CEO	Berry Bemelmans, Chairman
Miklas Dronkers, COO	Emile Bakker
	Klaas Schaafsma
	Han Wagter

Velsen, 19 March 2010

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 2009

The Management Board proposes to pay a cash dividend of EUR 0.50 per depository receipt of share from the net profit attributable to equity holders of the parent for the financial year 2009.

General

Set forth below is a concise summary of the 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 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

Every fortnight the Management Board convenes with the Management Team to discuss the current affairs of the business, sales and marketing plans, projects' status, operational issues and efficiency.

The company's Supervisory Board

Crown Van Gelder has a Supervisory Board consisting 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 material decisions laid down in the law 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

In 2009 the Supervisory Board met on 7 occasions with the Management Board and 5 times without. For the issues that were discussed, we refer to the report of the Supervisory Board.

In 2003 the Supervisory Board set up an Audit Committee, which in 2009 consisted of supervisory directors Wagter and Bakker, who were elected because of their financial expertise. The Audit Committee met twice in 2009. For the issues that were discussed, 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.

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.
Holder 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 the shares (underlying their depository receipts). Unless otherwise prescribed by law or the articles of association, decisions will be taken 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 23 April 2009.
Shareholders and holders of depository receipts are entitled to request that the Management Board or the Supervisory Board add items to the agenda of this 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 be a substantial effort for a company with the size of Crown Van Gelder. Electronic voting will be introduced once a legal obligation has been introduced.
The main items 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 of those shares to individuals and institutions and these depository receipts are the Crown Van Gelder securities traded on Euronext. In exercising its voting rights, 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. Its principal goal is to prevent the chance that as a result of absenteeism a coincidental majority of shareholders in the General Meeting of Shareholders control the decision-making process. 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 requirements of the Corporate Governance Code. Most of these 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 of the shares underlying their depository receipts. The rules governing the internal organisation of the Trust Office and the rights and obligations between 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 Corporate Governance Code

Book 2 of the Dutch Civil Code in conjunction with a decree of 10 December 2009 (Bulletin of Acts and Decrees 545) requires that companies like Crown Van Gelder report in their annual reports on how they apply the provisions of the Dutch Corporate Governance Code (the Code), explaining why certain provisions of the Code, if any, are not applied by the company. The Code can be found on www. commissiecorporategovernance.nl.
The Management Board and the Supervisory Board of Crown Van Gelder support and apply nearly all principles and best practice provisions of the Code.

Deviations from and explanations of the Code

The principles and best practice provisions on which the Management Board and the Supervisory Board of Crown Van Gelder had a deviating view, were stated in the 2005 Annual Report, and discussed in the AGM held on 4 May 2006.
During the financial year 2009, the Management Board, the Supervisory Board, but also the board of the Trust Office have not seen any developments either within the company or outside forcing them to change their views. Crown Van Gelder wishes to express its deviating view in respect of the following best practice provisions of the revised Corporate Governance Code, as published in December 2008.

- According to best practice provisions II.3.2, II.3.3 and II.3.4 a member of the Management Board shall report any transaction that involves a conflict of interest, that is material to the company or such member of the Management Board, to the chairman of the Supervisory Board and 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 2009 no such transactions have been reported and the Management Board confirms that these best practice provisions have been complied with.

- 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. If necessary, the Supervisory Board shall hire 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 shall be divided between Supervisory Board members.
- Further to best practice provisions III.6.1, II.6.2 and II.6.3 a member of the Supervisory Board shall report any transaction that involves a conflict of interest, that is material to the company or such member of the Supervisory Board, 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 2009 no such transactions have been reported and the Management 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 that at least holds 10% of the issued share capital of the company is entered into under arm's length conditions; that decisions 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 need the approval of the Supervisory Board and that such transactions shall be report in the company's Annual Report. The Company confirms that this best practice provision has been complied with.
- Best practice provision III.6.5 (which relates to dealing with potential conflicts of interest) requires companies to draft rules in respect of the ownership of and for transactions in securities by the Management Board and the Supervisory Board, other than those issued by Crown Van Gelder. Crown van Gelder only has rules of procedures in respect of ownership of and for transactions in securities by the Management Board. In view of the size of the company, the company deems the risks of non-compliance with this best practice provision limited.
- Best practice provision III.6.7 requires that a member of the Supervisory Board who, in case all seats are vacant on the Management Board (*ontstentenis*) or all Management Board members are unable to perform their duties (*belet*), is temporarily charged with the management of the company, resigns as member of the Supervisory Board. Any such Supervisory Board member who shall be temporarily charged with the management, shall not participate in the deliberations of the Supervisory Board. In order to safeguard the continuity of the constitution and performance by the Supervisory Board of its duties and responsibilities, only in case it is expected that the Supervisory Board member 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 internet communication (webcasting) around the general meetings of shareholders, press conferences and analysts meetings. Introduction and maintenance of these facilities imply costs and efforts which are substantial for a company with the size of Crown Van Gelder. As stated in the 2005 Annual Report, the Management Board monitors on a continuing basis the general, technological and costs developments in this respect. In 2007 the company has started to webcast the analyst meetings, which are held twice a year.

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 protective instruments against an unsolicited take-over as well of the circumstances under which these instruments might be made use of. Following the cancellation of the function of the depository receipts as a protective instrument in the year 2005, Crown Van

Gelder disposes of only one such protective instrument. This instrument is the call option right of Stichting Continuïteit Crown Van Gelder to take 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 6:3) a shareholders' meeting must be held within four weeks after the issuance of such preference shares at which the reasons for the issuance of the preference shares must be explained. According to article 6:5 of the company's Articles of Association, a shareholders' meeting must be held within two years after the first issuance of the preference shares at which meeting must be submitted the proposal to repurchase and/or cancel the preference shares. 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 protect the company against influences which might have an adverse 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 objectives. For a description of these risks, we refer to the risk management section in the report of the Management Board.

In 2009, 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 procedures include controls that ensure that:
• commitments and expenditures are appropriately authorised by management;
• 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 should be detected on a timely basis;
• transactions are recorded as required to permit the preparation of financial statements;
During the year 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 misstatements. Risk management and control systems provide therefore reasonable assurance that the financial reporting does not contain any material inaccuracies. No material weaknesses were identified during the year.

Based on this 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 year under review.

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

This information reflects the situation as per 19 March 2010 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 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 2009 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 take 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 right in certain circumstances to 30% to avoid the obligation to make a public takeover bid over all the shares and all depositary receipts, pursuant to chapter 5:5 of the Act on Financial Supervision (*Wet op het financieel toezicht*).

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

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 Act on Financial Supervision (*Wet op het financieel toezicht*):

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 held by it.

Shares with special voting or governance rights
The organisational documents of the company do not provide for any class of shares with special voting or other governance rights.

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 in the issuance by Stichting Administratiekantoor Crown Van Gelder of depository receipts (in the proportion five depository receipts for one share) of its ordinary shares. 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 for such voting power for the shares underlying their holdings of 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 (*structuurregime*). 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. The authorisation includes the issuance of ordinary shares (and granting rights to acquire shares) up to 10% of the ordinary shares issued and outstanding on 23 April 2009 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 23

April 2009. 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 stock exchange during the ten trading days preceding the day of repurchase increased by 10%, and, in case of a share, five times the last mentioned 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 Act on Financial Supervision (*Wet op het financieel toezicht*).

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 Act on Financial Supervision (*Wet op het financieel toezicht*).

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 keep 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 2010

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. Member of the board of Stichting Continuïteit OctoPlus 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 Member of the Board of the Dutch Employers Association 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.

REPORT

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 2008, the agenda for the Annual General Meeting of Shareholders (AGM), the semi-annual figures 2009 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 depositary receipts was present.

The Trust Office was present at the AGM on 23 April 2009. The Trust Office had granted voting proxies to and/or received voting instructions from 33 holders of depository receipts of shares, representing 35.6% of the total number of votes that could be cast at this meeting. The Trust Office itself was entitled to cast votes on shares representing 64.2% of the total number of votes that could be cast at the meeting. The Trust Office exercised these voting rights and supported acceptance of proposals by acclamation in favour 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, primary market and listing), 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 2009 amounted to EUR 17,665.
At 31 December 2009, 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, 19 March 2010

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	*2009*	*2008*	*2007*	*2006*	*2005*[3]
Operating cash flow	2.37	2.46	2.38	1.29	4.76
Net result	1.04	(3.43)	0.50	0,51	2.07
Dividend[1]	0.50	0.50	1.00	1.00	1.00
Equity[2]	20.21	20.16	24.88	26.61	26.96
Closing price at year-end	8.10	5.83	15.25	16.83	17.70
Pay-out ratio in %	48	undefined	200	196	48
Price/earnings ratio at year-end	7.8	undefined	31	33	8.6
Price/equity ratio in %	40	29	61	63	66

[1] *Dividend 2009 is proposal to shareholders.*

[2] *Equity before appropriation of results.*

[3] *Some 2005 figures were revised in 2006 due to a change in pension accounting principles affecting the statement of financial position and income statement.*

CALENDAR 2010

• 12 February 2010	Press release annual results 2009
• 22 April 2010	Annual General Meeting of Shareholders
• 26 April 2010	Ex-dividend listing
• 28 April 2010	Record date
• 4 May 2010	Dividend payment date
• 30 July 2010	Press release half-year results 2010

CALENDAR 2011

• 11 February 2011	Press release annual results 2010
• 28 April 2011	Annual General Meeting of Shareholders
• 2 May 2011	Ex-dividend listing
• 4 May 2011	Record date
• 10 May 2011	Dividend payment date
• 29 July 2011	Press release half-year results 2011

INVESTOR RELATIONS

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