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CROWN VAN GELDER

ANNUAL REPORT 2007

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Revolutionary print: Crown Digital HS especially developed for high-speed personalised digital document colour printing.

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COMPANY PROFILE

Crown Van Gelder N.V. manufactures and sells high-quality specialty products in the woodfree uncoated and single-coated paper sectors. Based in Velsen, The Netherlands, the company employs around 290 staff.
The company operates two paper machines and its product portfolio consists of a range of specialty paper grades for transactional print, envelopes and other stationery, direct mail, books and manuals, packaging materials and tailor-made face and base paper customer solutions, like base papers for self-adhesive materials and direct thermal printing. Crown Van Gelder N.V. is listed on the Euronext Amsterdam stock exchange (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 voluntary covenants;
- attractive employment terms and working conditions;
- corporate social responsibility and sustainable operations.

KEY FIGURES

	IFRS				Dutch GAAP	
EUR x 1,000	*2007*	*2006*	*2005*[2]	*2004*	*2004*	*2003*
Revenue	163,218	150,793	142,158	139,316	139,117	139,554
Operating profit	2,681	2,381	12,407	12,052	11,149	11,385
Net profit[1]	2,190	2,241	9,016	8,325	7,627	7,850
Depreciation	9,755	9,659	9,239	7,904	8,013	7,974
Capital expenditure	3,033	4,058	21,653	23,080	23,080	9,096
Sales (ton)	218,600	208,800	200,400	190,400	190,400	181,300
Production (ton)	220,500	212,500	197,000	184,000	184,000	188,300
Workforce (average)	284	286	296	303	303	311
Number of depository receipts of shares at year-end	4,356,005	4,356,005	4,356,005	4,356,005	4,356,005	4,356,005

[1] *Net profit as reported here and in the Report of the Supervisory Board and Report of the Management Board is the net annual profit available to Crown Van Gelder shareholders, as shown in the consolidated profit and loss account.*
[2] *The consolidated balance sheet and profit and loss account 2005 have been adjusted in 2006 to reflect a change in pension accounting principles.*

The Management Board and the Supervisory Board

Han Wagter Berry Bemelmans Mees Hartvelt, CEO Huub Meertens, Chairman Klaas Schaafsma

REPORT OF THE SUPERVISORY BOARD

INTRODUCTION AND PROFIT DISTRIBUTION

We are pleased to present Crown Van Gelder N.V.'s financial statements for 2007, 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, audited by Ernst & Young Accountants, and discussed by the Supervisory Board.

The Supervisory Board has discussed the financial statements, which report a net profit of EUR 2.2 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 2007 and, in accordance with Article 31.2 of the Articles of Association, a cash dividend of EUR 0.50 per depository receipt out of the distributable reserves, giving a total pay-out of EUR 1.00 per depository receipt. We recommend the unqualified adoption of the 2007 financial statements and dividend pay-out by the shareholders, in accordance with the Management Board's proposal. We also request that the shareholders grant the Management Board and Supervisory Board discharge from liability for the policies and supervision pursued in 2007.

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 provides broad expertise in areas relevant to the company. 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. Klaas Schaafsma is a former CEO of Crown Van Gelder. At the Annual General Meeting of Shareholders on 26 April 2007, Han Wagter was appointed to the Supervisory Board, on the basis of the reinforced right of recommendation vested in Crown Van Gelder's Works Council. At the same meeting, the shareholders bade farewell to Huub Toebes as one of the company's supervisory directors. The Supervisory Board expresses sincere thanks to Huub Toebes for his valuable contribution to the company during his seven years in office.

During the year under review, the Supervisory Board met six times with the Management Board and three times without. In addition, the Supervisory Board Chairman regularly held informal talks with the Management Board. A Supervisory Board delegation also attended two meetings of the Works Council. These meetings provided an opportunity to get to know each other's viewpoints regarding internal corporate affairs, operating results, 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, development of new products, and the outcome of the Management Board's review of the structure and operation of the internal risk management and control systems, remuneration of the Management Board, corporate image, management development, corporate governance, sustainability, and investor relations.

In addition, without the Management Board attending, the Supervisory Board discussed its own performance and that of the Management Board, including the achievement of agreed performance indicators. Issues raised during those discussions included the Supervisory Board's desired profile, desired composition and powers.
In 2003 the Supervisory Board set up an Audit Committee, which in 2007 consisted of supervisory directors Meertens and Bemelmans (Chairman), who were elected because of their financial expertise. The Audit Committee met twice in 2007 to discuss the 2006 annual results and 2007 half-year results, and the interpretation of IFRS standards, particularly those regarding the financial reporting of the pension scheme, as these have a considerable impact on Crown Van Gelder's financial performance. Other topics were the company's financing, risk profile and risk management. The reports issued by the Audit Committee have been discussed at the Supervisory Board's plenary meetings.

Given the limited size of the Supervisory Board and the company's transparent organisational structure, no other committees were set up to perform any subactivities. The activities and responsibilities of subcommittees (remuneration, recruitment & selection), as defined in the Dutch Corporate Governance Code (the Code), are 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. The fee does not include any shares or options and is set by the AGM.

CORPORATE GOVERNANCE

At the AGM in April 2007, the issue of corporate governance was raised with the shareholders. No fresh proposals were put to the shareholders concerning the Code. The Management Board gave an explanation of the company's reserve and dividend policies.
In September 2007, the Board of Stichting Administratiekantoor Crown Van Gelder (Trust Office) held a meeting with the holders of depository receipts. The reports on the AGM and the meeting with the depository receipt holders are posted on the company's website.

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

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

REMUNERATION OF THE MANAGEMENT BOARD

The proposed Management Board remuneration policy was adopted by the shareholders at the AGM in 2005, and has been posted on the company's website.

As an incentive, the remuneration of the Management Board includes a variable item which is conditional on the achievement of objectives set by the Supervisory Board. They include targets for return on equity, production output, new product launches, and safety.

REPORT OF THE SUPERVISORY BOARD

INTERNAL CORPORATE AFFAIRS

Consultations were held between the Supervisory Board and Management Board to discuss the development of the company's operating profit, necessary cost-savings, and level of investment against the background of difficult market conditions. The Supervisory Board would note that the company has provided a satisfactory response to these conditions and the strong competition in the paper industry. Developing new products with high added value will continue to be a key policy challenge. The announced closure of European paper mills is set to contribute towards improving the balance between supply and demand.

COMPANY POLICY

The Supervisory Board supports the company's strategic policy and objectives for the years up to and including 2010, as presented in Mission 2010.
The Supervisory Board shares the Management Board's view that recent market changes require that the company revise the guiding principles underlying its Mission 2010.
The Supervisory Board believes the policies pursued and policy plans will contribute to the company's development. In addition to commercial, technical and logistical issues, the policy plans also deal with social and organisational matters, health and safety, ICT, product development, and investment.

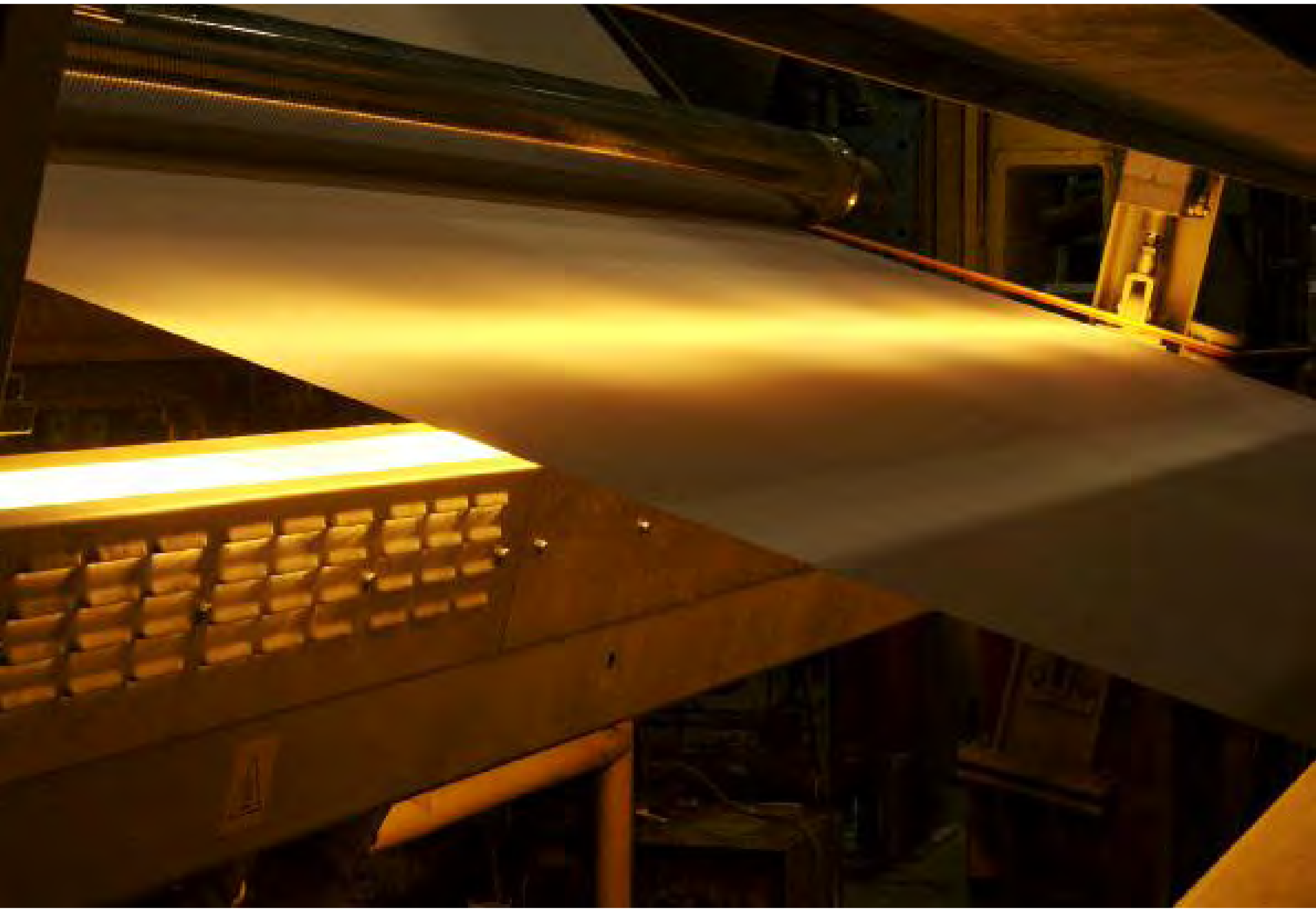
FINAL NOTE

The Supervisory Board observes that the company achieved a less-than-expected profit in 2007, similar to the 2006 level, despite record volumes, increases in selling prices, and an improved market share.
Downsizing efforts across the European paper industry were largely offset by a decline in exports, due to changes in the value of the US dollar limiting the possibilities of further selling price increases.
The company is well-positioned, owns state-of-the-art production facilities, has dedicated employees, and boasts an excellent balance sheet.

The Supervisory Board expresses its appreciation for the efforts of the Management Board and employees in the current difficult market conditions.

Velsen, The Netherlands, 13 March 2008

The Supervisory Board:
Berry Bemelmans
Huub Meertens, Chairman
Klaas Schaafsma
Han Wagter



Web inspection system for online visual quality control of the paper.

REPORT OF THE MANAGEMENT BOARD

SUMMARY

Results

Crown Van Gelder ended 2007 with a net profit of EUR 2.2 million, similar to the 2006 level. Operating profit rose from EUR 2.4 million in 2006 to EUR 2.7 million. Cash flow from operating activities improved from EUR 5.6 million to EUR 10.3 million.
Sales volume was up nearly 5% from 208,800 ton in 2006 to 218,600 ton in 2007. Production increased by just under 4% to an all-time high of 220,500 ton (2006: 212,500 ton).

Cost of raw materials

On average, the NBSK USD benchmark pulp price increased by 18% on 2006. Due to the decline of the US dollar by 8%, the price expressed in EUR increased by 10%.
The average pulp price paid by Crown Van Gelder in 2007 was up around 2% from 2006 as a result of the use of short-fibre pulp, the EUR price of which rose less strongly in 2007.

Energy costs

Energy is a major cost item for a non-integrated paper company like Crown Van Gelder. After energy costs almost doubled in 2006, they continued to increase in 2007. The increase in the cost of energy was driven mainly by higher gas prices, which could be offset only to a limited extent by higher revenues from electricity sales. As the value of the remaining surplus of CO_2 emission allowances (the sale of which had generated EUR 2.4 million in revenues in 2006) fell to practically nil, the company was unable to generate any revenue from the sale of CO_2 emission allowances.
In contrast, the payment of MEP subsidies led to an additional revenue of approximately EUR 1 million in 2007. On balance, energy costs increased by EUR 3.9 million.

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.
Since we outlined our strategy in our Mission 2010 document in 2005, Crown Van Gelder has successfully achieved growth in production and sales. However, we must conclude that the company's profit development has been less than expected. This has partly been due to fierce competition between major paper companies, which also reported very low returns on capital employed (2006: ROCE of 4.2% for the European paper industry as a whole).
We will review the guiding principles underlying Mission 2010 in the course of 2008, and may conclude that the strategy requires adjusting. We are pleased to say, however, that our customers are still highly appreciative of the company's products. At the same time, our customers have indicated that major price rises will be difficult to recoup from end-users.
On our part, we will remain focused on strengthening our independent market position. Many of our customers appreciate our independent stance, our focus on niche markets, and our flexibility to accommodate their specific requirements.

Outlook

Crown Van Gelder is a solid company whose excellent competitive position proved its worth in a difficult cyclical phase. Due to the overhaul of the power plant (CHP), which will take out some production

capacity in the second half of 2008, the company expects a slightly lower sales and production volume in 2008. Strong competition on the European sales markets and ongoing overcapacity are likely to continue to influence our net profit in 2008. We expect the gap between supply and demand in the industry to narrow, and eventually to be able to charge on the substantial increases in energy and pulp prices to our customers by way of higher selling prices.
In 2008 and 2009 we expect to finalise plans to make the company less dependent on natural gas and achieve energy cost-savings.

OPERATING REVIEW

Results

Revenue increased from EUR 151 million in 2006 to EUR 163 million in 2007. Sales were up almost 5%, from 208,800 ton in 2006 to 218,600 ton in 2007.
Output was 220,500 ton in 2007, up nearly 4% from 2006, when the company produced 212,500 ton. Accordingly, the upgrading of both paper machines in 2004 and 2005 has delivered on the targets set. Total production capacity was adversely affected by the substantial tonnage of new products manufactured in 2007, which involved fine-tuning our processes.
Operating profit came to EUR 2.7 million in 2007, up 13% from EUR 2.4 million in 2006.

Because of the low number of shipments in December, we ended the year with 20,100 ton of finished products in stock, compared to 18,400 ton at the end of 2006. Due to the rise in average cost per ton of paper, this level had an impact on the working capital at year-end 2007.
Crown Van Gelder supplied 79.6 GWh of electricity to Nuon, generating EUR 5.3 million in revenues (2006: 75.5 GWh and EUR 4.2 million). In 2007 the company received an amount of EUR 2.1 million in MEP energy subsidies (2006: EUR 1.0 million).

On 1 January 2006, the pension fund was transferred to a pension insurance company.
Frequent consultations subsequently took place with the pension insurer, employee organisations and the Works Council to explore ways of converting the existing pension scheme into a new pension contract with the pension insurance company, along with new pension regulations for Crown Van Gelder employees, and discuss the implications of such a conversion. In 2007 an agreement was reached with the employee organisations about the financial consequences of the new pension scheme for the next five years, but the pension insurance company was unable to supply the new set of regulations on time. This procedure is expected to be finalised in 2008.
Because the new contracts were still unavailable, the existing ones continued to be the basis for the pension charges recognised under IFRS.

At 31 December 2007, 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.

Market developments

The European markets for woodfree uncoated paper (WFU), where Crown Van Gelder operates, initially picked up in the first quarter of 2007 but eventually declined by 5% (+4% in 2006).
The company’s sales increased by 9,800 ton (+4.7%) on 2006.

During the year, Crown Van Gelder successfully increased its selling prices by an average of 3%, whilst limiting exports outside Europe to 13% of its sales volume (2006: 15%). This is important because sales margins are traditionally lower for exports outside Europe, partly because of higher transport costs and partly because these revenues are often expressed in US dollars.

Pulp prices

Since January 2006, USD pulp prices have consistently risen. In 2007 the benchmark NBSK pulp price increased by USD 140 to USD 870 per ton. The largest increase occurred during the second half of the year, due to the weakening dollar in that same period and tightening market as a result of low stocks of wood at suppliers. At year-end 2007, the NBSK pulp price stood at EUR 600 per ton, up EUR 40 compared to year-end 2006.

Although short-fibre pulp remained flat in the first six months of 2007, the second half of the year saw a rally from USD 670 to USD 780 per ton, driven by demand, the substitution of long-fibre for short-fibre, too low wood stock levels because of the mild winter, temporary shortage of capacity, and implementation by Russia of export duties on wood. Due to the US dollar's decline, the increase in euros was limited to EUR 25 at EUR 535 per ton.

Earnings per share and profit appropriation

In 2007 net earnings per depository receipt were EUR 0.50 (2006: EUR 0.51). A proposal has been put to the shareholders to pay a dividend of EUR 1.00 per depository receipt (2006: EUR 1.00). As in 2006, the dividend pay-out for 2007 is substantially above 100%. The company's policy is to pay an average annual cash dividend of between 50% and 60% of its net profit, while aiming to prevent major fluctuations in dividend payments. Given its satisfactory solvency and adequate cash flow, the company has decided to propose to the shareholders that the additional dividends be funded from retained earnings.

CAPITAL EXPENDITURE

In 2007 capital expenditure totalled EUR 3.0 million (2006: EUR 4.1 million), mainly consisting of replacement investments.

Investments made in 2007 were funded from cash flow and existing lines of credit supplied by financial institutions. At year-end 2007, EUR 12.6 million worth of loans was outstanding, and the company's solvency remained strong at 76% of the balance-sheet total (2006: 75%).

SUSTAINABILITY REPORT

As in previous years, Crown Van Gelder has issued an English-language sustainability report, in accordance with guidelines developed by the Global Reporting Initiative (GRI). The report includes a cross-reference list of newly adopted GRI G3 assessment criteria.
We have set ourselves ten environmental, economic and social targets. In the Sustainability Report 2007, we explain to what extent we have been able to deliver these targets and achieve progress on other plans of action.

We believe the Sustainability Report will make a major contribution to enhancing Crown Van Gelder's profile as a transparent and progressive company. The 2006 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 71 out of 100 points, improving on its score in the previous year (67 points).

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 our development operation is fully integrated. The aim of the new concept is to better streamline our development operations and identify potentially fatal flaws that might thwart the successful launch of products at an earlier stage. In 2007 the company sold a total of 23,000 ton of new products.
Individual 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 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.

WORKFORCE AND EMPLOYEE BENEFITS

General

The workforce at year-end increased from 278 in 2006 to 287 in 2007. 2008 will see the launch of the PROFIT programme aimed at strengthening the production organisation's ability to raise their competency levels. This will require an additional investment of 8 FTEs over the next three years. Absenteeism increased slightly from 3.8% in 2006 to 4.1% in 2007.

Employee benefit costs

On 1 July 2007 a new collective agreement became effective. It will be valid for a period of 24 months. The new agreement provides for an initial pay rise of 2.85% on 1 July 2007, in addition to a performance-related bonus if targets are met in terms of the manufacture of new products, complaint-related expenses, and safety. A performance-related bonus of 0.6% (2006: 0.8%) was paid in 2007. The agreement also provides for a new allocation of pension charges for the next five years.

Remuneration of the Management Board

The Management Board's pay package covers a fixed salary and a variable pay element of no more than 45% of the fixed salary. The variable income depends on, among other things, the return on shareholders' equity and the extent to which certain targets have been achieved. The variable income is determined by the Supervisory Board. There is no option scheme in place for the Management Board. The Management Board remuneration policy was submitted to and approved by the General Meeting of Shareholders in May 2005. It is posted on the company's website at www.cvg.nl, in the Corporate Governance section.

REPORT OF THE MANAGEMENT BOARD

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 an explanation of the company's reserve and dividend policies, which were amended following the publication of Mission 2010.

In September 2007, the Board of the company's trust office Stichting Administratiekantoor Crown Van Gelder convened a meeting of holders of depository receipts for shares. The report on the meeting is posted on the company's website.

The draft report on the shareholders' meeting was posted for comments on the company's website for three months. After expiry of this period, the report was adopted by the Supervisory Board and the final version published on the 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 bi-annual meetings with analysts, who issue reports on the issues discussed. Crown Van Gelder representatives also annually attend meetings held by Euronext. We hold many meetings with investors and investors' groups, who 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 annual report in Dutch.
The annual reports will be available on our website from 25 March 2008.

RISK MANAGEMENT

The company's internal risk management and control systems have been tailored to the specific nature and size of our business and meet the guidelines developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO guidelines). Although a system of this kind can never provide absolute certainty, it has been designed to provide reasonable assurance regarding the effectiveness of the financial and operational risks involved in achieving our business goals.

Monitored by the Supervisory Board, the Management Board is responsible for monitoring the effectiveness of the company's internal risk management and control systems as part of its day-to-day management.

Activities in 2007

In 2007 we conducted a reassessment of the financial, operational, strategic and compliance risks affecting all of our major business processes. Existing controls introduced to mitigate the risks identified have been documented and are analysed and tested during internal and external audits (including certification audits) and reviews. The internal and external audit and review findings (including certification audits) are documented and reported to and, if necessary, discussed with the Management Board.

In 2007 risk management analyses and tests of our business processes were fully integrated with the internal audits performed within our management systems.
In auditing our financial statements, the external auditor also prepares a report on his findings in relation to the risks accounted for in our financial reporting. These findings are discussed with the Management Board, Audit Committee, and Supervisory Board.

Report on internal risk management and control systems
The company's Management Board is responsible for the design and operational effectiveness of our internal risk management and control systems. In tandem with this responsibility, the company assessed the risks involved in its primary processes and reviewed its existing controls in 2007. As far as financial reporting risks are concerned, and in the light of the control measures available under the company's internal risk management and control systems, the Management Board believes the internal risk management and control systems provide reasonable assurance that the financial statements do not contain any material inaccuracies. The systems functioned well in 2007. Looking ahead to 2008, the Management Board expects no significant changes.

The internal risk management and control systems also cover other risk categories (strategic, operational, financial and compliance), details of which are given below.

Strategic risks
Strategic risks are those associated with the nature of our business and the volume and positioning of our business activities on the paper market. This is a global market with strong regional players. Transport costs are high and limit our geographical sales opportunities. Digitisation has become a major market trend affecting the paper industry. We are aware of these market developments and trends and our position within the industry. 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. We remain committed to developing attractive product offerings and successfully launched several new products during the year.

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

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.

Disasters such as fire and explosions could damage our production facilities and combined heat and power plant, and adversely affect the company's reputation and/or financial results. We have taken out insurance to cover these risks. Our precautionary measures and inspections meet the requirements of insurers and are in line with industry standards. In early 2007, to limit the impact of a disaster, we began work on a business contingency plan to complement our business emergency plan. We expect to be able to implement the contingency plan in the course of 2008.

We are aware of other potential disaster risks, such as terrorism and pandemics. Although we consider these to be low-level risks, we maintain contacts with government agencies and other organisations and will be taking steps where necessary.

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 become less vulnerable to these risks, we have put in place strict quality assurance procedures in line with ISO 9001, and continuously measure the quality of our products and processes both during and after production.

Key to Crown Van Gelder's future success will be our ability to recruit and retain specialised technical staff and talented managers. We realise that in a tight labour market we will increasingly have to position the company as an attractive employer. In late 2007, the company launched a project aimed at improving communication with the labour market. Enhancing the average educational level of our staff, especially those in operational management, will be one of our main objectives for the coming years.

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.
Our management systems conform to OHSAS 18001 and ISO 14001 standards, and we regularly conduct internal audits, risk surveys and risk assessments. 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.

Details of specific measures taken to minimise health, safety and environmental risks are given in the Sustainability Report.

Financial risks
Crown Van Gelder is exposed to a variety of financial risks. The company partly hedges the currency risk related to its USD and GBP exposure. The company is also exposed to fluctuations in energy prices. To control the level of energy costs, we signed contracts to lock in gas and electricity prices for 2008 and 2009. We are also looking for alternatives to our current energy supply, and will embed energy management within our organisation more strongly in 2008.
As far as credit risk is concerned, we only 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.
To cover various types of risk, including credit risk, interruption of the production process, liability, directors' liability and transport, the company has taken out insurance from reputable insurers with a good rating.

Compliance risks
As we face rapidly changing laws on, among other things, financial reporting, safety and the environment, we increasingly run the risk of failing to comply with laws and regulations. Those departments responsible have put in place policy measures and procedures to keep track of and comply with legislative and regulatory changes.

STRATEGY

In 2006 Crown Van Gelder published a policy plan entitled Mission 2010 for 2006-2010. In it, the company looks at recent market developments believed to be relevant to the future of the industry in general and the company in particular. The aim of the plan is to chart a course for the next few years by defining ten objectives. The plan is flexible enough to allow us to respond quickly to changing market conditions, as we have done in the past. In 2008 we will revise our mission document in response to several long-term developments occurring on our sales markets.

MARKET DEVELOPMENTS

Overall financial performance within our industry has been adversely affected by a number of key developments. These developments substantially influenced decisions taken by many paper companies in terms of efficiency plans, relocations, and plant closures both in 2006 and 2007.

Firstly, we have seen major differences arise between regional sales forecasts, with a shift taking place towards Asia, South America and Eastern Europe, where growth has been substantial.
By contrast, in Western Europe and the United States, forecasts are virtually flat, with growth figures of just a few per cent. In some segments of the paper market, regional sales have in fact been in decline for a number of years, such as in the newspaper paper and continuous stationery sectors due to, among other things, the strong rise of e-commerce, as recognised in our mission document. This phenomenon continued markedly in 2007.
In Western Europe and North America, these combined factors have led to major restructuring costs and job losses, on the one hand, and explosive capacity growth in Asia and South America, on the other. Due to the closures on the European fine paper market, including woodfree uncoated paper grades, which have led to an estimated 7% to 8% reduction in capacity, remaining production capacity has been put to better use. However, because these closures mainly involved less profitable production units, we are now competing with the stronger units of these paper companies that have survived.

Secondly, we have seen this impact being reinforced by the ongoing increase in energy costs, which have boosted the prices of auxiliary materials, chemicals, and transport rates. The rise in energy prices has mainly been driven by the growing awareness that fossil fuels such as oil and gas are becoming scarce commodities. In fact, the demand for fossil fuels is likely to be increased further by emerging economies such as India and China. Geopolitical considerations have been an additional reason for us to try to find a more sustainable solution.
Also, in the background, a debate is going on about replacing fossil fuels with biomass. In Europe, the Confederation of European Paper Industries (CEPI) is strongly advocating against using wood directly as a biofuel. It wants wood to be used first to produce paper and board and then, after typically being

recycled six times, to be used as a biofuel. In 2007 CEPI funded a comprehensive study into the likely impact on the supply of wood to the paper industry of large-scale use of biomass in Europe until 2020.

A third explanation of the lower results lies in the strong increase in the prices of pulp and wood, i.e. the raw material of which paper is made. The global availability of pulp does not entirely keep pace with the growth in use. Again, the most important reason for this is the growth in paper production and usage in Asia, where some regions failed to start constructing new wood plantations in a timely enough fashion. In addition, pulp has become less available due to the closure of major facilities in the United States and Canada prompted by unfavourable cost structures due to low energy efficiency and high environmental expenses, and the rapid appreciation of the Canadian dollar, which have rendered pulp exports practically unprofitable.

A fourth explanation of the way in which the company's results have developed lies in the rapid decline of the US dollar against the euro. Although offsetting the strong increase in pulp prices, the weakening dollar at the same time led to a substantial fall in export revenues for the larger paper companies. As exports to North and South America declined by around 20%, the available capacity increasingly focused on Europe.

Despite substantial capacity reductions in Europe, the market developments described above have fuelled fierce competition in Western Europe, where companies are locked in a battle to secure the available production tonnage and are reluctant to adjust selling prices too readily to cost developments. These factors, and the cost developments discussed above, have eroded margins on the graphic paper market, particularly those of non-integrated producers. At Crown Van Gelder, however, we have been able to increase our prices by an average of 3%.

These trends and developments have long-term as well as short-term elements, which have been reason for us to decide to adjust Mission 2010 to reflect the deep-rooted changes in market conditions. Our focus will be on the qualitative strengthening, rather than quantitative expansion, of our range of specialty papers. We believe sales can grow to 225,000 ton by 2010.
In revising our strategy, we will take into account the consequences of the strong concentration of wholesale operations in Europe. Clearly, this review will have an impact on our investment strategy.

Thanks to the strategy pursued and recent market developments, Crown Van Gelder finds itself in an excellent position to benefit from improved market conditions, once supply and demand are better balanced.

PROSPECTS FOR 2008

The company's production capacity has increased substantially through comprehensive, carefully planned investments. Our range of products and effective regional distribution of sales across our markets have continued to allow us to use the capacity of the two paper machines to the full. Looking ahead to 2008, we expect the production output to be roughly in line with the 2007 volume of 220,000 ton.

Conditions on the company's traditional markets were not entirely clear in early 2008. A part of the market is susceptible to the announced price rises. The other part is led by promotional offers arising from the ongoing overcapacity situation in Europe, due to the fact that there is only limited scope for profitable export sales. Against this background, it is difficult to incorporate increases in the cost of raw materials into selling prices in a timely fashion. However, the company's order book is strong and further selling price increases are expected and have already partially been accepted as from Q2 2008.

Due to the price effects of the new energy contracts signed for 2008 and 2009, energy costs will be lower.

Expectations are that the growing demand for pulp will level off in the course of 2008, in line with the slowing down of the world economy. Because of the higher wood costs, the unfavourable exchange rate of the US dollar against the currencies of production countries and the growing demand for biomass, we expect no appreciable erosion of the NBSK benchmark pulp price.
The recent increase in short-fibre capacity will ease market conditions and may have a positive impact on price developments in 2008. However, wood supplies in Scandinavia and Asia and the tight transport market may have a negative impact.
All in all, the upward trend in pulp prices is forecasted to continue in the coming months.
The introduction of new pulp production capacity in South America could lead to some softening in pulp prices later this year. The impact of US dollar exchange rate developments, especially on raw materials prices, is yet uncertain.

In 2008 we are planning to invest EUR 8 million, which is below the level of depreciation. Part of these investments will go towards implementing a Manufacturing Execution System (MES), as part of a comprehensive computerisation programme designed to increase efficiency and flexibility in production scheduling. We have scheduled an overhaul of what we refer to as the hot parts of the gas turbine for the end of 2008, when the steam systems will also undergo a periodic inspection. This will use up a substantial part of our investments. We will also launch a number of smaller projects to improve the quality of our paper grades.

Market conditions are expected to improve, but the impact on the 2008 net result is not yet certain.

Velsen, 13 March 2008

Mees Hartvelt
Chief Executive Officer

FINANCIAL STATEMENTS 2007

(Before profit appropriation)

EUR x 1,000	*Note*	*31 December 2007*		*31 December 2006*	
ASSETS					
Non-current assets					
Property, plant and equipment	(1)	83,239		90,603	
Intangible assets	(2)	1,055		450	
Investment in associate	(3)	1,162		1,183	
Pension asset	(4)	-		7,377	
Other assets	(5)	2,711		2,820	
			88,167		**102,433**
Current assets					
Inventories	(6)	29,032		26,638	
Trade and other receivables	(7)	23,702		22,855	
Tax receivable	(23)	558		1,049	
Cash and cash equivalents	(8)	1,295		1,644	
			54,587		**52,186**
Total assets			**142,754**		**154,619**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Subscribed and paid-up capital	(9,10)	8,712		8,712	
Retained earnings	(10)	101,811		103,928	
Other reserves	(11)	(4,386)		908	
Profit for the year	(10)	2,190		2,241	
			108,327		**115,789**
Minority interests	(10)		**58**		**118**
Total equity			**108,385**		**115,907**
Non-current liabilities					
Deferred tax liabilities and accruals	(12)	4,744		6,671	
			4,744		6,671
Current liabilities					
Interest-bearing liabilities	(13)	12,608		16,249	
Trade creditors	(14)	12,470		9,133	
Taxation and social security contributions		20		164	
Other short-term liabilities	(15)	4,527		6,495	
			29,625		**32,041**
Total liabilities			**34,369**		**38,712**
Total equity and liabilities			**142,754**		**154,619**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

EUR x 1,000	*Note*		*2007*		*2006*
Revenue	(16)	163,218		150,793	
Other income	(17)	-		2,353	
			163,218		153,146
Costs related to revenue		(7,660)		(7,226)	
Raw materials, consumables and energy	(18)	(114,757)		(106,432)	
Change in inventories of finished goods	(19)	1,945		2,549	
Employee benefits costs	(20)	(17,792)		(18,063)	
Depreciation and amortisation	(21)	(9,755)		(9,659)	
Other expenses	(22)	(12,518)		(11,934)	
Total operating expenses			(160,537)		(150,765)
Operating profit			**2,681**		**2,381**
Finance income		65		70	
Finance costs		(796)		(671)	
Net finance income			(731)		(601)
Share of after tax profit of associate			304		346
Profit before tax			**2,254**		**2,126**
Tax income / (expense)	(23)		(83)		156
Profit for the year from continuing operations			**2,171**		**2,282**
Profit for the year attributable to:					
Equity holders of the parent (net profit)			2,190		2,241
Minority interests			(19)		41
Profit for the year from continuing operations			**2,171**		**2,282**
Basic earnings (in EUR) per depository receipt of share	(24)		0.50		0.51
Diluted earnings (in EUR) per depository receipt of share	(24)		0.50		0.51

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

EUR x 1,000		*2007*		*2006*
Profit for the year from continuing operations		**2,171**		**2,282**
Net unrealised gains / (losses) on cash flow hedges	1,181		(1,181)	
Actuarial gains / (losses) in respect of pension scheme	(343)		8,143	
Asset ceiling adjustments in respect of pension scheme	(6,132)		(6,373)	
Net income recognised directly in equity		(5,294)		589
Total recognised income and expense for the year		**(3,123)**		**2,871**
Total recognised income and expense for the year attributable to:				
Equity holders of the parent		(3,104)		2,830
Minority interests		(19)		41
Total recognised income and expense for the year		**(3,123)**		**2,871**

CONSOLIDATED CASH FLOW STATEMENT

EUR x 1,000		*2007*		*2006*
Operating activities				
Operating profit		2,681		2,381
Adjustments for:				
Depreciation and amortisation	9,782		9,475	
Movements in pension asset	(1,314)		(64)	
		8,468		9,411
Movements in working capital:				
Trade and other receivables	(847)		(5,818)	
Inventories	(2,394)		(743)	
Trade creditors	3,337		(335)	
Other items	571		(532)	
		667		(7,428)
		11,816		4,364
Interest paid	(806)		(571)	
Interest received	65		70	
Income taxes received / (paid)	(729)		1,753	
		(1,470)		1,252
Net cash flow from operating activities		**10,346**		**5,616**
Investing activities				
Investments in property, plant and equipment	(2,415)		(3,633)	
Investments in intangible assets	(618)		(425)	
Dividends received	325		350	
Disposals of tangible fixed assets	10		184	
Net cash flow (used in) / from investing activities		**(2,698)**		**(3,524)**
Financing activities				
Dividends paid	(4,356)		(4,356)	
Interest-bearing liabilities	(3,641)		2,788	
Net cash flow (used in) / from financing activities		**(7,997)**		**(1,568)**
Increase in cash and cash equivalents		**(349)**		**524**
Cash and cash equivalents at 1 January		**1,644**		**1,120**
Cash and cash equivalents at 31 December		**1,295**		**1,644**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR x 1,000	*Subscribed and paid-up capital*	*Retained earnings*	*Other reserves (note 11)*	*Profit for the year*	*Total*	*Minority interests*	*Total equity*
Balance sheet at 1 January 2006	**8,712**	**99,268**	**319**	**9,016**	**117,315**	**117**	**117,432**
Total recognised income and expense	-	-	589	2,241	2,830	41	2,871
Profit appropriation	-	3,759	-	(3,759)	-	-	-
SoRIE adjustment in profit	-	901	-	(901)	-	-	-
Paid dividends	-	-	-	(4,356)	(4,356)	-	(4,356)
Dividends minority interests	-	-	-	-	-	(40)	(40)
Balance sheet at 31 December 2006	**8,712**	**103,928**	**908**	**2,241**	**115,789**	**118**	**115,907**
Total recognised income and expense	-	-	(5,294)	2,190	(3,104)	(19)	(3,123)
Profit appropriation	-	63	-	(63)	-	-	-
Paid dividends	-	(2,178)	-	(2,178)	(4,356)	-	(4,356)
Dividends minority interests	-	(2)	-	-	(2)	(41)	(43)
Balance sheet at 31 December 2007	**8,712**	**101,811**	**(4,386)**	**2,190**	**108,327**	**58**	**108,385**

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 290 people. The company operates two paper machines and its product portfolio consists of a range of specialty paper grades for transactional print, envelopes and other stationery, direct mail, books and manuals, packaging materials and tailor-made face and base paper customer solutions, like base papers for self-adhesive materials and direct thermal printing. Crown Van Gelder N.V. is listed at the Official Market of the Euronext Amsterdam Stock Market 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 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. Minority 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 balance sheet and profit and loss account. 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 profit and loss account. Transactions in foreign currency are accounted for in the profit and loss account at the exchange rates prevailing at the date of transaction.

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.

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 profit and loss account.

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 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 remeasurement 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 profit and loss account. 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 profit and loss account.

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

For classification purposes under IFRS 7, all financial instruments are categorised as ‘Loans and receivables’.

NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS

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 – 5 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 profit and loss account 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 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.

Pension asset

The pension scheme qualifies as a defined benefit pension plan. IAS 19 requires recognition in the balance sheet of a defined benefit asset or liability.

Crown Van Gelder's accounting policy for recognising actuarial gains and losses is based on the SoRIE approach. Crown Van Gelder recognises actuarial gains and losses in the period in which they occur and gains and losses are recognised outside the profit and loss account. The actuarial gains and losses are presented in a statement of changes in equity titled 'Consolidated Statement of Recognised Income and Expense'. 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 profit and loss account (IAS 19.61) based on the SoRIE approach. The asset ceiling is also presented in a statement of changes in equity titled 'Consolidated Statement of Recognised Income and Expense'.

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 company's employees.

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 profit and loss account 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.

Trade and other receivables

Trade receivables are stated at realisable value. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and amounts held at free disposal at bank accounts.
For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Deferred tax liabilities

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 liabilities relate to temporary differences between the financial reporting valuation and tax valuation of the tangible fixed assets, pension assets, stocks of finished products, debtors, hedging contracts and provisions.

Current liabilities

All current liabilities are stated at cost being the fair value of the consideration received.

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 profit and loss account.

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 profit and loss account 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;
• Pension asset;
• 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 2007, 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

- IAS 1 Amendment: Presentation of Financial Statements
  This amendment requires to make new disclosures to enable users to evaluate the objectives, policies and processes for managing capital. These new disclosures are shown in note 27.

- IFRS 7 Financial instruments: Disclosures
  The impact of the adoption of IFRS 7 and the changes of IAS 1 have been to expand the disclosures provided in the financial statements regarding the company's financial instruments and management of capital. The latter requires to make new disclosures to enable users to evaluate the objectives, policies and processes for managing capital. The new disclosures are included throughout the financial statements.

- IFRIC 9 Reassessment of Embedded Derivatives
  IFRIC 9 is effective for financial years beginning on or after 1 June 2006 and establishes that the date to assess the existence of an embedded derivative is the date on which an entity first becomes party to the contract, with reassessment only if there is a change that significantly modifies the cash flows. This standard has no impact for Crown Van Gelder.

- IFRIC 10 Interim Financial Reporting and Impairment
  IFRIC 10 is applicable for annual periods beginning on or after 1 November 2006. IFRIC 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. Crown Van Gelder has chosen not to adopt this standard early; however the adoption of this interpretation is not expected to have an impact on Crown Van Gelder's financial statements.

- IFRIC 11 IFRS 2: Group and Treasury Share Transactions
  IFRIC 11 was issued in November 2006 and becomes effective for financial years beginning on or after 1 March 2007. This standard has no impact for Crown Van Gelder.

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

- IFRS 8 Operating Segments
  IFRS 8 is applicable for annual periods beginning on or after 1 January 2009. Earlier application is permitted. IFRS 8 replaces IAS 14. The company has reviewed the differences between IFRS 8 and IAS 14 and has concluded that the new standard has no impact on the financial statements of Crown Van Gelder.

- IAS 23 Amendment: Borrowing Costs
  The revision of IAS 23 is effective for financial years beginning on or after 1 January 2009 and requires capitalisation of borrowing costs that relate to a qualifying asset. The transitional requirements of the standard require it to be adopted as a prospective change from the effective date. Crown Van Gelder has chosen not to adopt this standard early.
  The company has concluded that the new standard has no impact on the financial statements of Crown Van Gelder.

- IFRIC 12 Service Concession Arrangements
  IFRIC Interpretation 12 was issued in November 2006 and becomes effective for annual periods beginning on or after 1 January 2008. This Interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. This standard has no impact for Crown Van Gelder.

- IFRIC 13 Customer Loyalty Programmes
  IFRIC 13 was issued in June 2007 and becomes effective for financial years beginning on or after 1 July 2008. 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 for Crown Van Gelder.

- IFRIC 14 IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
  IFRIC 14 was issued in July 2007 and becomes effective for financial years beginning on or after 1 January 2008. This Interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 Employee Benefits. The company is currently investigating the impact of adopting this standard.

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 2006	19,900	164,816	1,595	11,816	198,127
Additions	80	14,237	83	(10,767)	3,633
Disposals	-	(857)	(6)	-	(863)
Balance sheet at 31 December 2006	**19,980**	**178,196**	**1,672**	**1,049**	**200,897**
Depreciation					
At 1 January 2006	9,781	90,707	1,062	-	101,550
Disposals	-	(673)	(5)	-	(678)
Depreciation for the year	970	8,313	139	-	9,422
Balance sheet at 31 December 2006	**10,751**	**98,347**	**1,196**	**-**	**110,294**
Book value					
At 1 January 2006	**10,119**	**74,109**	**533**	**11,816**	**96,577**
At 31 December 2006	**9,229**	**79,849**	**476**	**1,049**	**90,603**
Costs					
At 1 January 2007	19,980	178,196	1,672	1,049	200,897
Additions	242	1,744	13	416	2,415
Disposals	(3)	(380)	(349)	-	(732)
Balance sheet at 31 December 2007	**20,219**	**179,560**	**1,336**	**1,465**	**202,580**
Depreciation					
At 1 January 2007	10,751	98,347	1,196	-	110,294
Disposals	(3)	(380)	(339)	-	(722)
Depreciation for the year	964	8,647	158	-	9,769
Balance sheet at 31 December 2007	**11,712**	**106,614**	**1,015**	**-**	**119,341**
Book value					
At 1 January 2007	**9,229**	**79,849**	**476**	**1,049**	**90,603**
At 31 December 2007	**8,507**	**72,946**	**321**	**1,465**	**83,239**

NOTES TO THE CONSOLIDATED BALANCE SHEET

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 (2006: EUR (0.2) million). The depreciation of the property, plant and equipment is included in line item 'Depreciation and amortisation' in the consolidated profit and loss account.

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 2006	793	-	793
Additions (acquired)	2	422	424
Disposals	-	-	-
Balance sheet at 31 December 2006	**795**	**422**	**1,217**
Amortisation			
At 1 January 2006	714	-	714
Amortisation for the year	53	-	53
Disposals	-	-	-
Balance sheet at 31 December 2006	**767**	**-**	**767**
Book value			
At 1 January 2006	**79**	**-**	**79**
At 31 December 2006	**28**	**422**	**450**
Costs			
At 1 January 2007	795	422	1,217
Additions (acquired)	7	611	618
Disposals	(239)	-	(239)
Balance sheet at 31 December 2007	**563**	**1,033**	**1,596**
Amortisation			
At 1 January 2007	767	-	767
Amortisation for the year	13	-	13
Disposals	(239)	-	(239)
Balance sheet at 31 December 2007	**541**	**-**	**541**
Book value			
At 1 January 2007	**28**	**422**	**450**
At 31 December 2007	**22**	**1,033**	**1,055**

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 years. The amortisation of the intangible assets is included in line item 'Depreciation and amortisation' in the consolidated profit and loss account.

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	*2007*	*2006*
Balance sheet at 1 January	1,183	1,187
Share of profit	304	346
Dividends received	(325)	(350)
Balance sheet at 31 December	**1,162**	**1,183**

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*	*Revenues*	*Profit/(loss)*	*% Interest held*
2006					
International Forwarding Office B.V.	4,563	2,218	2,059	692	50
2007					
International Forwarding Office B.V.	4,377	1,993	2,394	608	50

PENSION ASSET (4)

Crown Van Gelder's type of pension plan is an average indexed salary plan, providing a normal retirement pension as from the age of 65, based on an annual accrual rate of 1.625% of the pension base (salary less social security offset) per year of participation. As well as a partner pension for spouse or unmarried partner based on 1.25% of the above mentioned pension base less 1.625% of the social security offset per year of participation. An orphan's pension is also included in the pension plan. The orphan's pension per child is 7% of the attainable normal retirement pension. The plan also includes an early retirement pension plan based on final salary, providing a benefit as from the age of 62 to the normal retirement age of 65. The early retirement benefit equals 75% of final salary. These normal and early retirement plans will be continued for employees with an age over or equal to 56 and in service at 31 December 2005.
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.

NOTES TO THE CONSOLIDATED BALANCE SHEET

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	*2007*	*2006*
Defined benefit obligation (DBO) at 31 December	(89,777)	(93,986)
Plan assets at 31 December	108,333	111,688
Funded status	18,556	17,702
Amounts not recognised as an asset, because of limit 19.58(b) **(1)**	(18,556)	(10,325)
Net pension asset at 31 December	**-**	**7,377**

(1) According to paragraph 58, 58A an 58B (asset ceiling) Crown Van Gelder has a defined benefit asset of EUR 18,556 but cannot, 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 2007, this number has been determined to be nil. For further insight, reference is made to note 11.

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

EUR x 1,000	*2007*	*2006*
Defined benefit obligation (DBO) at opening balance	93,986	103,037
Service cost (including employee contributions)	1,943	3,423
Interest cost	4,411	4,259
Actuarial (gains) / losses	(5,922)	(11,572)
Benefits paid	(4,641)	(5,161)
Defined benefit obligation (DBO) at 31 December	**89,777**	**93,986**

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

EUR x 1,000	*2007*	*2006*
Plan assets at opening balance	111,688	109,109
Expected return on plan assets	5,858	6,435
Actuarial gains / (losses)	(6,383)	(6)
Contributions	1,811	1,311
Benefits paid	(4,641)	(5,161)
Plan assets at 31 December	**108,333**	**111,688**

The movements in the net pension asset can be detailed as follows:

EUR x 1,000	*2007*	*2006*
Net pension asset at 1 January	7,377	4,800
Contributions paid	1,490	1,000
Net pension benefit / (expense) recognised in the profit and loss account	(176)	(936)
Recognition in SoRIE	(8,691)	2,513
Balance sheet at 31 December	**-**	**7,377**

The net pension expense recognised in the profit and loss account can be detailed as follows:

EUR x 1,000	*2007*	*2006*
Current service costs	1,623	3,112
Interest on obligation	4,411	4,259
Expected return on plan assets **(2)**	(5,858)	(6,435)
Total net pension expense	**176**	**936**

(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 fiscal year 2007 is equal to EUR (525) (2006: EUR 6,429).

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

EUR x 1,000		*2007*		*2006*
At 1 January		13,301		1,735
Actuarial gains / (losses) recognised in the 'Consolidated Statement of Recognised Income and Expense'	(343)		8,143	
Recognised in deferred tax liabilities	(118)		3,423	
		(461)		11,566
At 31 December		**12,840**		**13,301**

NOTES TO THE CONSOLIDATED BALANCE SHEET

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	*2007*	*2006*
Equities	13%	11%
Bonds	69%	71%
Real Estate	18%	18%

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

In %	*Used in 2007*	*Used in 2006*
Discount rate	5.14	4.73
Expected return on plan assets	5.34	6.40
General salary increase	2.28	2.20
Pension increase	2.13	2.04

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

EUR x 1,000	*2007*	*2006*	*2005*
The present value of the defined benefit obligation	(89,777)	(93,986)	(103,037)
The fair value of plan assets	108,333	111,688	109,109
Funded status	18,556	17,702	6,072
Experience gains / (losses) on plan liabilities			
Amount	3,478	2,415	(6,165)
Actuarial return less expected return on plan assets			
Amount	(6,383)	(6)	7,900

Due to the change in pension accounting principles as from 1 January 2005, the five year history of experience gains and losses will gradually be built up.

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 2008 amounts to EUR 1,500.

OTHER ASSETS (5)

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 profit and loss account during the remaining contract period using the straight-line method.

Movements in the other assets can be detailed as follows:

EUR x 1,000	*2007*	*2006*
Balance sheet at 1 January	2,820	2,929
Allocated to the profit and loss account	(109)	(109)
Balance sheet at 31 December	**2,711**	**2,820**

The allocation is included in line item 'Other expenses' in the consolidated profit and loss account.

INVENTORIES (6)

Inventories can be detailed as follows:

EUR x 1,000	*2007*	*2006*
Raw materials	10,158	9,641
Other materials	6,337	6,404
Finished goods	12,537	10,593
Balance sheet at 31 December	**29,032**	**26,638**

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

TRADE AND OTHER RECEIVABLES (7)

Trade and other receivables can be detailed as follows:

EUR x 1,000	*2007*	*2006*
Trade receivables	21,430	21,216
Other receivables	2,082	1,386
Accrued income and prepayments	190	253
Balance sheet at 31 December	**23,702**	**22,855**

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 2007, trade receivables at nominal value of EUR 85 (2006: EUR 85) were impaired and fully provided for.

NOTES TO THE CONSOLIDATED BALANCE SHEET

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

EUR x 1,000	*2007*	*2006*
Provision – past due		
At 1 January	74	66
Charge for the year	59	41
Utilised	-	(2)
Unused amounts reversed	(133)	(31)
Balance sheet at 31 December	**-**	**74**

EUR x 1,000	*2007*	*2006*
Provision – impaired		
At 1 January	85	85
Charge for the year	-	-
Utilised	-	-
Unused amounts reversed	-	-
Balance sheet at 31 December	**85**	**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	18,458	-	18,458
Outstanding receivables – past due	2,972	-	2,972
	21,430	-	21,430
Outstanding receivables – impaired	85	85	-
Balance sheet at 31 December 2007	**21,515**	**85**	**21,430**

EUR x 1,000	*Nominal value*	*Provision*	*Book value*
Outstanding receivables – current	19,701	-	19,701
Outstanding receivables – past due	1,589	74	1,515
	21,290	74	21,216
Outstanding receivables – impaired	85	85	-
Balance sheet at 31 December 2006	**21,375**	**159**	**21,216**

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*
2007	**21,430**	18,458	2,488	356	114	14	-
2006	**21,216**	19,701	1,388	116	-	1	10

CASH AND CASH EQUIVALENTS (8)

Cash and cash equivalents can be detailed as follows:

EUR x 1,000	*2007*	*2006*
Cash at bank and in hand	1,295	1,644
Balance sheet at 31 December	**1,295**	**1,644**

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 EURIBOR and EONIA less 0.375 % - 0.5%.

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

SUBSCRIBED AND PAID-UP CAPITAL (9)

The authorised capital can be detailed as follows:

Number of shares (thousands)	*2007*	*2006*
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	-	-
Balance sheet at 31 December	**871.2**	**8,712**

NOTES TO THE CONSOLIDATED BALANCE SHEET

EQUITY (10)

EUR x 1,000	*Subscribed and paid-up capital*	*Retained earnings*	*Other reserves (note 11)*	*Profit for the year*	*Total*	*Minority interests*	*Total equity*
Balance sheet at 1 January 2006	**8,712**	**99,268**	**319**	**9,016**	**117,315**	**117**	**117,432**
Net unrealised gains / (losses) on cash flow hedges	-	-	(1,181)	-	(1,181)	-	(1,181)
Actuarial gains / (losses) in respect of pension scheme	-	-	8,143	-	8,143	-	8,143
Asset ceiling adjustments in respect of pension scheme	-	-	(6,373)	-	(6,373)	-	(6,373)
Profit for the year	-	-	-	2,241	2,241	41	2,282
Total recognised income and expense	-	-	589	2,241	2,830	41	2,871
Profit appropriation	-	3,759	-	(3,759)	-	-	-
SoRIE adjustment in profit	-	901	-	(901)	-	-	-
Paid dividends	-	-	-	(4,356)	(4,356)	-	(4,356)
Dividends minority interests	-	-	-	-	-	(40)	(40)
Balance sheet at 31 December 2006	**8,712**	**103,928**	**908**	**2,241**	**115,789**	**118**	**115,907**
Net unrealised gains / (losses) on cash flow hedges	-	-	1,181	-	1,181	-	1,181
Actuarial gains / (losses) in respect of pension scheme	-	-	(343)	-	(343)	-	(343)
Asset ceiling adjustments in respect of pension scheme	-	-	(6,132)	-	(6,132)	-	(6,132)
Profit for the year	-	-	-	2,190	2,190	(19)	2,171
Total recognised income and expense	-	-	(5,294)	2,190	(3,104)	(19)	(3,123)
Profit appropriation	-	63	-	(63)	-	-	-
Paid dividends	-	(2,178)	-	(2,178)	(4,356)	-	(4,356)
Dividends minority interests	-	(2)	-	-	(2)	(41)	(43)
Balance sheet at 31 December 2007	**8,712**	**101,811**	**(4,386)**	**2,190**	**108,327**	**58**	**108,385**

OTHER RESERVES (11)

EUR x 1,000	Asset ceiling pension accounting	Actuarial gains / losses	Cash flow hedge reserve	Total
Balance sheet at 1 January 2006	**(870)**	**1,189**	**-**	**319**
Movements in 2006				
Recognition in SoRIE	(6,373)	8,143	-	1,770
Net unrealised gains / (losses) on cash flow hedges	-	-	(1,181)	(1,181)
Balance sheet at 31 December 2006	**(7,243)**	**9,332**	**(1,181)**	**908**
Movements in 2007				
Recognition in SoRIE	(6,132)	(343)	-	(6,475)
Net unrealised gains / (losses) on cash flow hedges	-	-	1,181	1,181
Balance sheet at 31 December 2007	**(13,375)**	**8,989**	**-**	**(4,386)**

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 based on the SoRIE approach as well as the consequences of asset ceiling adjustments.
Although the value of the pension plan assets is greater than the value of the pension liabilities, paragraph 58A of IAS 19 limits 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 and 2007 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. This is what happened in 2006, when the present value of expected economic benefits was 10,325 lower than the funded status. The same calculations in 2007 make that the company may recognise nothing anymore of the funded status as net pension asset. Reason for the change in 2007 versus 2006 is on the one hand the increased discount rate, resulting in lower expected future service cost and on the other hand expected higher future employer contributions, making that the present value of the expected economic benefits becomes nil, which implies that the company may recognise nothing of the funded status as net pension asset. The adjustments resulting from asset ceiling run through SoRIE are presented under other reserves.

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.

DEFERRED TAX LIABILITIES AND ACCRUALS (12)

The deferred tax liabilities and accruals relate to the following:

EUR x 1,000		*2007*		*2006*
Deferred tax liabilities and accruals				
Inventories	56		61	
Pension	64		2,256	
EIA tax allowance	4,906		5,286	
Trade receivables	75		131	
		5,101		7,734
Deferred tax assets				
Property, plant and equipment	(357)		(371)	
Cash flow hedging	-		(404)	
		(357)		(775)
		4,744		6,959
Movement due to changes in the future statutory rates		-		(288)
Balance sheet at 31 December		**4,744**		**6,671**

Deferred tax liabilities have been valued at expected future tax rates (25.5% for 2008) and are estimated to be mostly long-term. A deferred tax accrual amounting to EUR 0.4 million regarding the EIA tax allowance can be classified as short-term deferred tax accrual.
The deferred tax liabilities at 31 December 2007 include an amount of EUR 4.9 million for the (EIA) tax allowance. 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 profit and loss account 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		*2007*		*2006*
Movements charged or credited directly to shareholders' equity				
Cash flow hedging	-		(404)	
Pension accounting	(2,217)		744	
Total		**(2,217)**		**340**

Movements in deferred tax charged or credited to the profit and loss account were as follows:

EUR x 1,000	*2007*	*2006*
Movements charged or credited to the profit and loss account		
EIA tax Allowance	419	402
Change in future statutory tax rates	-	288
Total	**419**	**690**

INTEREST-BEARING LIABILITIES (13)

The company has credit facilities at its disposal up to EUR 34 million. A part of these credit facilities can be secured by inventories and debtors. The interest concerning the facilities consists of a basic interest rate, such as EURIBOR and EONIA, plus an increase of between 0.85% and 1%.

At the end of 2007 an amount of EUR 12.6 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 PROFIT AND LOSS ACCOUNT

REVENUE (16)

Revenue can be detailed as follows:

EUR x 1,000	*2007*	*2006*
Revenue of paper sales	157,962	146,538
Supply of energy	5,256	4,255
Total	**163,218**	**150,793**

The geographical distribution of paper sales and revenue in 2007 and 2006 were as follows:

In %	*Sales of paper*		*Total revenue*	
	2007	*2006*	*2007*	*2006*
Netherlands	12	10	10	13
Germany	23	22	22	21
United Kingdom	14	13	14	13
Belgium / Luxembourg	15	15	16	16
France	15	19	20	20
Other European countries	8	6	7	6
Other countries	13	15	11	11
Total	**100**	**100**	**100**	**100**

OTHER INCOME (17)

Other income can be detailed as follows:

EUR x 1,000	*2007*	*2006*
Income from EU CO_2 allowances	-	2,353
Total	-	**2,353**

Crown Van Gelder participates in the EU Emissions Trading Scheme (EU-ETS). For the period 2005 until 2007, Crown Van Gelder has been allocated 204,514 CO_2 emission allowances on an annual basis. Crown Van Gelder has sold 100,000 CO_2 emission allowances in the financial year 2006, generating the above mentioned income. In 2007 no CO_2 allowances were sold, since the market value of these allowances dropped to nil.

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	*2007*	*2006*
Raw materials and consumables	91,516	85,870
Water	452	539
Packaging	2,361	2,134
Energy	20,428	17,889
Total	**114,757**	**106,432**

CHANGE IN INVENTORIES OF FINISHED GOODS (19)

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

EUR x 1,000	*2007*	*2006*
Finished goods at 1 January	10,593	8,068
Finished goods at 31 December	12,537	10,593
Change in inventories of finished goods	1,944	2,525
Other movements	1	24
Total	**1,945**	**2,549**

EMPLOYEE BENEFITS COSTS (20)

The employee benefits costs can be detailed as follows:

EUR x 1,000	*2007*	*2006*
Wages and salaries	14,286	13,973
Social security contributions	1,630	1,206
Other staff costs	1,700	1,948
Net pension expense	176	936
Total	**17,792**	**18,063**

For a break down of the net pension expense we refer to note 4 concerning the pension asset.

The average number of employees in 2007 was 284 (2006: 286).

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

DEPRECIATION AND AMORTISATION (21)

The depreciation and amortisation can be detailed as follows:

EUR x 1,000	*2007*	*2006*
Depreciation property, plant and equipment	9,769	9,422
Amortisation intangible assets	13	53
Loss on disposal property, plant and equipment	10	184
Gain on asset sale	(37)	-
Total	**9,755**	**9,659**

OTHER EXPENSES (22)

Other expenses can be detailed as follows:

EUR x 1,000	*2007*	*2006*
Maintenance costs	5,815	5,220
Leasing	420	390
Other operating expenses	6,283	6,324
Total	**12,518**	**11,934**

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		*2007*		*2006*
Current tax expense				
Current year tax expense	493		525	
Movements due to timing differences	9		9	
		502		534
Movements in deferred tax and accruals				
Movements due to timing differences and release of EIA tax allowance	(419)		(402)	
Changes in income tax rate	-		(288)	
		(419)		(690)
Total		**83**		**(156)**

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

In % and EUR x 1,000		*2007*		*2006*
Profit on ordinary activities before taxation		2,254		2,126
Less share of profit of associate		(304)		(346)
Accounting profit before tax		1,950		1,780
	In %		*In %*	
Statutory tax rate	25.3	493	29.5	525
Reduction by tax allowances	(21.0)	(410)	(22.1)	(393)
Decrease of future statutory tax rates	-	-	(16.2)	(288)
Total effective tax rate	**4.3**	**83**	**(8.8)**	**(156)**

The current tax receivable of EUR 558 (2006: EUR 1,049) represents the income tax receivable due to preliminary tax assessments that were based on a higher profit before taxation.

EARNINGS PER DEPOSITORY RECEIPT OF SHARE (24)

Basic earnings per depository receipt of share are calculated by dividing the profit 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:

	2007	*2006*
Profit for the year attributable to equity holders of the parent (EUR x 1,000)	2,190	2,241
Weighted average number of depository receipts of shares (thousands)	4,356	4,356
Basic earnings per depository receipt of share (EUR)	0.50	0.51
Diluted earnings per depository receipt of share (EUR)	0.50	0.51

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

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

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	*2007*	*2006*
Within one year	420	359
Between one and five years	1,239	934
Longer than five years	124	112
Total	**1,783**	**1,405**

Capital expenditure commitments
At 31 December 2007, Crown Van Gelder had commitments amounting to EUR 0.9 million of which EUR 0.3 million relates to the investment in a Manufacturing Execution System ('MES') and EUR 0.6 million in tangible fixed assets.

Guarantees
The total of bank guarantees issued were EUR 0.1 million at the balance sheet date (2006: EUR 0.1 million).

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
In 2007 Crown Van Gelder concluded 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 and settlement day is set for 15 December 2008. The delivery obligation is 70,000 EUAs for which Crown Van Gelder will receive 70,000 CERs and an additional amount of EUR 0.2 million.

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 2007:

EUR x 1,000	*International Forwarding Office B.V.*
Outstanding balances as per 31 December 2007 (current liability)	351
Commission fees during the financial year 2007	200

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 related parties

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

EUR x 1,000	*2007*	*2006*
Mees Hartvelt, Managing Director		
Fixed remuneration	198	193
Variable remuneration	47	44
Pension costs	31	22
Total	**276**	**259**

A variable reward system is in force for the Managing Director, 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 Managing Director on specific targets. The non-financial objectives have all largely been met.
Pension costs of the Managing Director is based on its pensionable salary.
No stock options have been offered to or are owned by the Managing Director. There are no loans outstanding to the Managing Director 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	*2007*	*2006*
Huub Meertens, Chairman	24	17
Berry Bemelmans	19	14
Klaas Schaafsma	19	14
Han Wagter	19	-
Huub Toebes	-	14
Total	**81**	**59**

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 were given on behalf of members of the Supervisory Board.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

FINANCIAL RISK MANAGEMENT (27)

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. At year-end 2007, no foreign currency contracts, commodity and interest rate swaps were outstanding. The financial derivatives, outstanding at year-end 2006, are categorised as 'Held for Trading'.

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 US dollars are used in order to hedge short-term currency risks relating to cash, accounts receivable and payable. These fair value and cash flow hedges do not qualify for hedge accounting. The fair value of forward exchange contracts is their quoted market price at balance sheet date. The gain or loss on the remeasurement at fair value is recognised in the profit and loss account immediately.
The following table demonstrates the sensitivity to a reasonably possible change in the US dollar and GB pound rate, with all other variables held constant, of the company's profit before tax.

EUR x 1,000	*2007*	*2006*
Impact of currency changes on profit before tax		
Increase / (decrease) in US dollar rate		
-5%	80	(3)
5%	(80)	-
Increase / (decrease) in GBP rate		
-5%	(244)	(240)
5%	244	174

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 2007, the company had no interest rate swaps.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, which all other variables held constant, of the company's finance cost (through the impact on floating rate borrowings).

EUR x 1,000	*2007*	*2006*
Average outstanding balance	15,810	16,804
Finance costs	796	671
Average interest rate	5.03%	3.99%
Increase / (decrease) in base points		
(50)	33	23
(25)	35	25
25	(39)	(28)
50	(41)	(30)

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*
Balance per 31 December 2007		
Financial assets		
Accounts receivable	21,430	21,430
Cash	1,295	1,295
Financial liabilities		
Interest-bearing liabilities	12,608	12,608
Trade payables	12,470	12,470
Other short-term liabilities	4,527	4,527

EUR x 1,000	*Book value*	*Fair value*
Balance per 31 December 2006		
Financial assets		
Accounts receivable	21,216	21,216
Cash	1,644	1,644
Financial liabilities		
Interest-bearing liabilities	16,249	16,249
Trade payables	9,133	9,133
Other short-term liabilities	6,495	6,495

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

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 balance sheet.

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 2006, the company held the following currency option contracts, forward exchange contracts and commodity swaps contracts:

Option contracts	*Exchange Rate*	*Expiration Date*	*Fair Value*
Call			
Amount USD 1,000,000	EUR / USD 1.295	8 January 2007	EUR 17
Amount USD 1,000,000	EUR / USD 1.305	6 February 2007	EUR 1,870
Put			
Amount EUR 758,150	EUR / USD 1.319	8 January 2007	EUR (6,228)
Amount EUR 747,384	EUR / USD 1.338	6 February 2007	EUR (4,550)

Forward exchange contracts	*Exchange Rate*	*Expiration Date*	*Fair Value*
Buy			
USD 1,000,000	EUR / USD 1.3100	10 January 2007	EUR (10,336)
USD 1,182,300	GBP / USD 1.9705	10 January 2007	EUR (523)

Commodity swap contracts	Period(s)	Expiration Date	Fair Value
20 million m^3 natural gas	Year 2007	31 December 2007	EUR (971,500)
13 million m^3 natural gas	Q1 2007	31 March 2007	EUR (412,100)
13 million m^3 natural gas	Q2 2007	30 June 2007	EUR (201,500)

At 31 December 2007, the company held no currency option contracts, forward exchange contracts or commodity swap contracts.

The commodity swap contracts qualify as effective cash flow hedges. During 2007, the net unrealised losses on cash flow hedges (EUR 1,181), as recognised in equity at year-end 2006, have been transferred to the income statement when the forecast transaction is recognised in the profit and loss account. Reference is made to note 10.

The option and forward exchange contracts do not qualify for hedge accounting.

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 liabilities.

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk management
The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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*
2007				
Leasing commitments	420	1,239	124	**1,783**
Trade payables	12,470	-	-	**12,470**
Other short-term liabilities	2,537	-	-	**2,537**
Total	**15,427**	**1,239**	**124**	**16,790**
2006				
Lease commitments	359	934	112	**1,405**
Commodity swap contract	1,579	-	-	**1,579**
Trade payables	9,133	-	-	**9,133**
Other short-term liabilities	4,548	-	-	**4,548**
Total	**15,619**	**934**	**112**	**16,665**

COMPANY BALANCE SHEET

(Before profit appropriation)

EUR x 1,000	*Note*	*31 December 2007*		*31 December 2006*	
ASSETS					
Fixed assets					
Intangible fixed assets	(I)	1,055		450	
Tangible fixed assets	(II)	71,846		79,199	
Financial fixed assets	(III)	4,171		11,619	
			77,072		**91,268**
Current assets					
Inventories	(IV)	29,032		26,638	
Accounts receivable	(V)	33,150		32,861	
Cash and cash equivalents	(VI)	1,003		1,354	
			63,185		**60,853**
Total assets			**140,257**		**152,121**
EQUITY AND LIABILITIES					
Shareholders' equity					
Subscribed and paid-up capital	(VII)	8,712		8,712	
Legal reserve	(VIII)	1,076		1,097	
Retained earnings	(VIII)	100,735		102,831	
Other reserve	(VIII)	(4,386)		908	
Profit for the year	(VIII)	2,190		2,241	
Total equity			**108,327**		**115,789**
Provisions					
Provision for deferred tax liabilities and accruals	(IX)	4,744		6,671	
			4,744		**6,671**
Short term liabilities					
Interest-bearing liabilities		12,608		16,249	
Trade creditors	(X)	10,063		6,787	
Taxation and social security contributions		-		144	
Other short-term liabilities		4,515		6,481	
			27,186		**29,661**
Total shareholders' equity and liabilities			**140,257**		**152,121**

COMPANY PROFIT AND LOSS ACCOUNT

EUR x 1,000	*2007*	*2006*
Result from subsidiaries and associates	402	366
Other result	1,788	1,875
Net result	**2,190**	**2,241**

ACCOUNTING PRINCIPLES FOR THE COMPANY FINANCIAL STATEMENTS

GENERAL INFORMATION

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

VALUATION

Intangible fixed assets

Reference is made to the valuation principles concerning the intangible fixed assets as mentioned in the notes to the consolidated balance sheet.

Tangible fixed assets

Reference is made to the valuation principles concerning property, plant and equipment as mentioned in the notes to the consolidated balance sheet.

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.
Concerning the pension asset and the other assets we refer to valuation principles concerning these items as mentioned in the notes to the consolidated balance sheet.

Inventories

Reference is made to the valuation principles concerning the inventories as mentioned in the notes to the consolidated balance sheet.

Accounts receivable

Reference is made to the valuation principles concerning the trade and other receivables as mentioned in the notes to the consolidated balance sheet.

Cash and cash equivalents

Reference is made to the valuation principles concerning the cash and cash equivalents as mentioned in the notes to the consolidated balance sheet.

Provisions

Reference is made to the valuation principles concerning the provisions as mentioned in the notes to the consolidated balance sheet.

Short-term liabilities

Reference is made to the valuation principles concerning the current liabilities as mentioned in the notes to the consolidated balance sheet.

Other result

Reference is made to the valuation principles concerning the revenues and expenses as mentioned in the notes to the consolidated balance sheet.

INTANGIBLE FIXED ASSETS (I)

Reference is made to note 2 of the notes to the consolidated balance sheet.

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 2006	19,900	145,333	1,555	11,816	178,604
Additions	80	9,737	76	(10,767)	(874)
Disposals	-	(712)	(6)	-	(718)
Balance sheet at 31 December 2006	**19,980**	**154,358**	**1,625**	**1,049**	**177,012**
Depreciation					
At 1 January 2006	9,781	78,854	1,053	-	89,688
Disposals	-	(532)	(6)	-	(538)
Depreciation for the year	970	7,566	127	-	8,663
Balance sheet at 31 December 2006	**10,751**	**85,888**	**1,174**	**-**	**97,813**
Book value					
At 1 January 2006	**10,119**	**66,479**	**502**	**11,816**	**88,916**
At 31 December 2006	**9,229**	**68,470**	**451**	**1,049**	**79,199**
Costs					
At 1 January 2007	19,980	154,358	1,625	1,049	177,012
Additions	242	870	-	416	1,528
Disposals at cost	(3)	(345)	(324)	-	(672)
Balance sheet at 31 December 2007	**20,219**	**154,883**	**1,301**	**1,465**	**177,868**
Depreciation					
At 1 January 2007	10,751	85,888	1,174	-	97,813
Disposals	(3)	(345)	(324)	-	(672)
Depreciation for the year	964	7,767	150	-	8,881
Balance sheet at 31 December 2007	**11,712**	**93,310**	**1,000**	**-**	**106,022**
Book value					
At 1 January 2007	**9,229**	**68,470**	**451**	**1,049**	**79,199**
At 31 December 2007	**8,507**	**61,573**	**301**	**1,465**	**71,846**

NOTES TO THE COMPANY BALANCE SHEET

FINANCIAL FIXED ASSETS (III)

Financial fixed assets can be detailed as follows:

EUR x 1,000		*2007*	*2006*
Subsidiaries	(A)	298	239
Investment in associate	(B)	1,162	1,183
Pension asset	(C)	-	7,377
Other assets	(D)	2,711	2,820
Balance sheet at 31 December		**4,171**	**11,619**

(A) Subsidiaries

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

Balance sheet at 31 December 2006	239
Net result subsidiaries	97
Dividends received	(38)
Balance sheet at 31 December 2007	**298**

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 balance sheet.

(C) Pension asset

Reference is made to note 4 of the notes to the consolidated balance sheet.

(D) Other assets

Reference is made to note 5 of the notes to the consolidated balance sheet.

INVENTORIES (IV)

Reference is made to note 6 of the notes to the consolidated balance sheet.

ACCOUNTS RECEIVABLE (V)

Trade and other receivables can be detailed as follows:

EUR x 1,000	*2007*	*2006*
Trade receivables	21,410	21,188
Group companies	10,446	10,339
Tax receivable	559	1,050
Other receivables	735	284
Balance sheet at 31 December	**33,150**	**32,861**

CASH AND CASH EQUIVALENTS (VI)

Cash and cash equivalents can be detailed as follows:

EUR x 1,000	*2007*	*2006*
Cash at bank and in hand	1,003	1,354
Balance sheet at 31 December	**1,003**	**1,354**

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

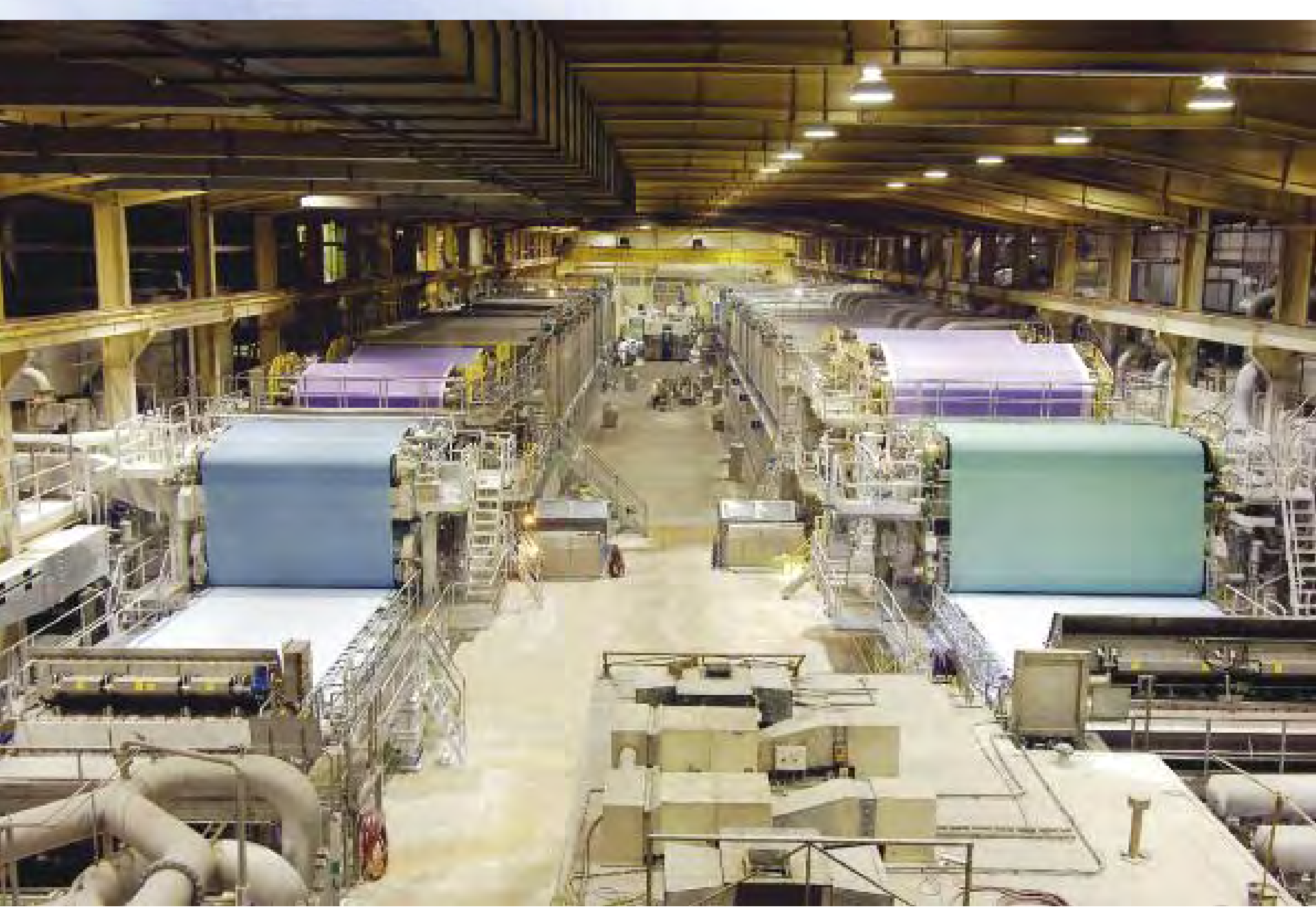
SUBSCRIBED AND PAID-UP CAPITAL (VII)

Reference is made to note 9 of the notes to the consolidated balance sheet.

NOTES TO THE COMPANY BALANCE SHEET

SHAREHOLDERS' EQUITY (VIII)

EUR x 1,000	*Subscribed and paid-up capital*	*Legal reserves*	*Retained earnings*	*Other reserves (note 11)*	*Profit for the year*	*Total equity*
Balance sheet at 1 January 2006	**8,712**	**1,100**	**98,168**	**319**	**9,016**	**117,315**
Net unrealised gains / (losses) on cash flow hedges	-	-	-	(1,181)	-	(1,181)
Actuarial gains / (losses) in respect of pension scheme	-	-	-	8,143	-	8,143
Asset ceiling adjustments in respect of pension scheme	-	-	-	(6,373)	-	(6,373)
Profit for the year	-	-	-	-	2,241	2,241
Total recognised income and expense	-	-	-	589	2,241	2,830
Profit appropriation	-	-	3,759	-	(3,759)	-
SoRIE adjustment in profit	-	-	901	-	(901)	-
Paid dividends	-	-	-	-	(4,356)	(4,356)
Other movement	-	(3)	3	-	-	-
Balance sheet at 31 December 2006	**8,712**	**1,097**	**102,831**	**908**	**2,241**	**115,789**
Net unrealised gains / (losses) on cash flow hedges	-	-	-	1,181	-	1,181
Actuarial gains / (losses) in respect of pension scheme	-	-	-	(343)	-	(343)
Asset ceiling adjustments in respect of pension scheme	-	-	-	(6,132)	-	(6,132)
Profit for the year	-	-	-	-	2,190	2,190
Total recognised income and expense	-	-	-	(5,294)	2,190	(3,104)
Profit appropriation	-	-	63	-	(63)	-
Paid dividends	-	-	(2,178)	-	(2,178)	(4,356)
Other movement	-	(21)	19	-	-	(2)
Balance sheet at 31 December 2007	**8,712**	**1,076**	**100,735**	**(4,386)**	**2,190**	**108,327**



Nature and purpose of the reserves

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

Other reserve
Reference is made to note 11 of the notes to the consolidated balance sheet.

PROVISION FOR DEFERRED TAX LIABILITIES (IX)

We refer to note 12 of the notes to the consolidated balance sheet.

TRADE CREDITORS (X)

Trade creditors can be detailed as follows:

EUR x 1,000	*2007*	*2006*
Trade creditors	10,063	6,787
Balance sheet at 31 December	**10,063**	**6,787**

DIRECTORS' REMUNERATION

We refer to note 26 of the notes to the consolidated balance sheet.

AUTHORISATION OF FINANCIAL STATEMENTS

The 2007 Financial statements of Crown Van Gelder N.V. have been signed by all members of the Management Board and Supervisory Board. The Financial statements are to be adopted by the General Meeting of Shareholders of Crown Van Gelder.

Management Board	**Supervisory Board**
Mees Hartvelt, CEO	Huub Meertens, Chairman
	Berry Bemelmans
	Klaas Schaafsma
	Han Wagter

Velsen, 13 March 2008

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 2007 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 balance sheet as at 31 December 2007, the profit and loss account, statement of recognised income and expense and 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 2007, 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 2007, 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 2007, 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 e 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, 13 March 2008

for Ernst & Young Accountants
was signed by E.J. Pieters

PROFIT APPROPRIATION

Statutory Provisions

The principles applied in profit appropriation are stated in article 31of 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.

Profit Appropriation 2007

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 2007 and a cash dividend of EUR 0.50 per depository receipt of share out of the distributable reserves, giving a total pay-out of EUR 1.00 per depository receipt of share.

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 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 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. 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. The General Meeting of Shareholders meets at least once a year. 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 will be a substantial effort for a company with the size of Crown Van Gelder. There are also substantial costs involved. Nevertheless, electronic voting will be taken into serious consideration from time to time. 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 a minority of shareholders control the decision-making process as a result of absenteeism at a General Meeting of Shareholders. 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 Royal Decree nr. 747 of 23 December 2004 requires that companies like Crown Van Gelder report in their annual reports on the fashion 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 Management Board and the Supervisory Board of Crown Van Gelder support and apply nearly all principles and best practice provisions of the Code. In this respect reference is made inter alia to the Crown Van Gelder shareholders' bulletin on corporate governance published in April 2005.

Deviations from 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 2007, the Management Board, the Supervisory Board, but also the board of the Trust Office, have from time to time reconsidered their views as expressed in the 2005 Annual Report but did not see any developments either within the company or outside forcing them to change their views. Therefore, Crown Van Gelder wishes to express its deviating view in respect of the following best practice provisions of the Code.

- According to best practice provisions II.1.1 and II.2.7, members of the Management Board shall be appointed for a term of four years at the highest and in case of their dismissal a reimbursement shall be equal to one annual salary at the highest. Crown Van Gelder wishes to respect the existing employment agreement with its Board member. The implementation of this provision shall make it difficult for smaller listed companies to attract capable Managing Directors, by preference recruited out of the own business of the company. Also, the risk will arise that the company's management will focus especially on short-term results, endangering the strategic goals for the longer term.

- 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.
- 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 III.7.3 requires regulations forcing members of the Supervisory Board to handle their (transactions in) securities in general, other than in securities issued by Crown Van Gelder. In view of the size of the company, the company deems the risks of non-compliance with this best practice provision limited. Also, the company deems this provision a breach of privacy.
- 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. In 2008 the company will evaluate webcasting communication.
- Best practice provision V.3.1, relating to the working scheme of the internal audit department, is not applicable as Crown Van Gelder, in view of its structure and size, does not have an internal audit department.

Protective Instruments

One of the best practice provisions of the Code obliges Crown Van Gelder to give 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. 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.

THE SUPERVISORY BOARD

Huub Meertens (1938)
Appointed in 2000, current term until 2008

Nationality:	Dutch
Post:	Former member of the Management Board of Océ N.V.
Supervisory posts:	Member of the Supervisory Board of Monidee Finance B.V.
Other posts:	Member of the Audit Committee of Crown Van Gelder N.V. Chairman of the Management Board of Stichting tot het houden van Preferente en Prioriteitsaandelen B Wereldhave
Stockholding Crown Van Gelder:	none

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 Reesink N.V., Erbi B.V. and De Efteling N.V. Supervisory Director Intergas Energie N.V. Supervisory Director PontMeyer N.V. Supervisory Director REO Midden-Limburg
Other posts:	Chairman of the Audit Committee of Crown Van Gelder N.V.
Stockholding Crown Van Gelder:	none

Klaas Schaafsma (1942)
Appointed in 2005, current term until 2009

Nationality:	Dutch
Post:	Former CEO of Crown Van Gelder N.V.
Supervisory posts:	Member of the Supervisory Board of the Regionale Ontwikkelingsmaatschappij Noordzeekanaalgebied 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 (1950)
Appointed in 2007, current term until 2011

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

DIRECTORS OF THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

THE MANAGEMENT BOARD

Mees Hartvelt (1948)
Appointed in 2004

Nationality:	Dutch
Post:	CEO of Crown Van Gelder 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:	470 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 and one telephone meeting of the Board of the Trust Office were held. Issues that amongst others have been discussed are the Annual Report 2006, the agenda for the Annual General Meeting of Shareholders (AGM), the semi-annual figures 2007 and the meeting of holders of depository receipts of shares.

The Trust Office was present at the AGM on 26 April 2007. The Trust Office had granted voting proxies to and/or received voting instructions from 24 holders of depository receipts of shares, representing 28.7% 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 71.0% of the total number of votes that could be cast at the meeting. The Trust Office exercised these voting rights by supporting acceptance of proposals by acclamation in favour of all proposals submitted to the AGM.

On 27 September 2007 the Trust Office held a meeting of holders of depository receipts of shares. The meeting was attended by one holder of depository receipts of shares. For further information on this meeting we refer to the minutes of this meeting on the website of CVG (www.cvg.nl).

The composition of the Board is as follows:
- Rainer Fuchs (former Secretary of Management Board and Supervisory Board of AMRO Bank and Executive Secretary of 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, of Orange Fund, Orange Largecap Fund, Aster-X-Panorama Fund and Aster-X-Europe fund), 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 2007 amounted to EUR 17,665.

At 31 December 2007, 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.

STICHTING ADMINISTRATIEKANTOOR CROWN VAN GELDER (TRUST OFFICE)

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, 13 March 2008

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

DIVIDEND POLICY

The following policy is applied:
- pay-out ratio of 50% - 60% of net profit;
- pay-out of dividend in cash;
- avoidance of major dividend fluctuations.

DISTRIBUTION OF DEPOSITORY RECEIPTS OF SHARE

Information from banks and financial institutions in 2003 indicates that approximately 33% of the total number of depository receipts of share are held by private investors and approximately 38% by institutional investors (e.g. insurance companies and pension funds). The remaining 29% is held mainly by investment companies.

Foreign investors hold approximately 15% of the depository receipts of share, mainly in the United States and the European Union.

KEY FIGURES

	IFRS				*Dutch GAAP*	
Per depository receipt of share of EUR 2 nominal value	*2007*	*2006*	*2005*[3]	*2004*	*2004*	*2003*
Operating cash flow	2.38	1.29	4.76	3.48	3.48	2.85
Net profit	0.50	0.51	2.07	1.91	1.75	1.80
Dividend[1]	1.00	1.00	1.00	1.00	1.00	1.00
Equity[2]	24.88	26.61	26.96	26.27	25.93	25.19
Closing price at year-end	15.25	16.83	17.70	15.99	15.99	13.35
Pay-out ratio in %	200	196	48	52	57	56
Price/earnings ratio at year-end	31	33	8.6	8.4	9.1	7.4
Price/equity ratio in %	61	63	66	61	62	53

1 Dividend 2007 is proposal to shareholders
2 Equity before appropriation of profit
3 Some 2005 figures were revised in 2006 due to a change in pension accounting principles affecting the balance sheet and profit and loss account

ADDITIONAL INFORMATION FOR SHAREHOLDERS

INFORMATION ON THE COMPANY TO BE PROVIDED PURSUANT TO THE RESOLUTION ARTICLE 10 OF THE TAKE-OVER DIRECTIVE

This information reflects the situation as per 13 March 2008 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 2007 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.

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'):

Delta Deelnemingen Fonds N.V.	11.48%
Aviva plc	9.43%
Navitas B.V.	6.66%

Shares with special voting/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 Euronext Amsterdam. No voting rights are attached to depository receipts. However, Stichting Administratiekantoor Crown Van Gelder unconditionally grants voting power of attorney to depository receiptholders 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 to, subject to the approval of the Supervisory Board, issue shares and grant share option rights for a period expiring on the 24th day of April 2008. The authorisation includes the issuance of ordinary shares up to 10% of the ordinary shares issued and outstanding on 26 April 2007 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 expiring on the 26th day of October 2008. 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 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 6a or 6e of the Act on the supervision of securities transactions *(Wet toezicht effectenverkeer)*.

Agreements with board members or employees subject to a public offer
The company is not party to agreements providing for distributions 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.

ADDITIONAL INFORMATION FOR SHAREHOLDERS

CALENDAR 2008

• 8 February 2008	Press release annual results 2007
• 24 April 2008	Annual General Meeting of Shareholders
• 28 April 2008	Ex-dividend listing
• 30 April 2008	Record date
• 2 May 2008	Dividend payment date
• 25 July 2008	Press release half-year results 2008

CALENDAR 2009

• 13 February 2009	Press release annual results 2008
• 23 April 2009	Annual General Meeting of Shareholders
• 27 April 2009	Ex-dividend listing
• 29 April 2009	Record date
• 30 April 2009	Dividend payment date
• 31 July 2009	Press release half-year results 2009

INVESTOR RELATIONS

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