

Velsen, 12 November 2009 (before market opening)

- **CVG EXPECTS 2009 FULL YEAR NET RESULT WELL ABOVE 1st HALF YEAR RESULT OF EUR 2.3 MILLION (EXCL. NON-RECURRING ITEMS)**
- **ORDER INTAKE LEVELS RECOVERING FROM EARLIER YEAR LOWS**
- **CVG ANNOUNCES SELLING PRICE INCREASES AS FROM Q1 2010 TO COUNTERACT RISING PULP PRICES**
- **MAGNITUDE OF SELLING PRICE INCREASES WILL BE CRUCIAL FOR DEVELOPMENT OF RESULTS IN 2010**

Operating review

Results

Crown Van Gelder (CVG) expects a positive net result for the second half of 2009, although somewhat lower than the first half year result of EUR 2.3 million due to lower selling prices on average and gradually rising pulp prices. The company's financial structure continues to be strong, with a high equity ratio and a good operating cash flow.

Market developments

At the publication of the 2009 half year results, CVG stated that the economic downturn had a major impact on paper demand. European paper companies counteracted the strong drop in order intake by large scale production curtailments, both temporary and permanently, in order to improve the supply and demand balance.

In the European market for woodfree uncoated paper (WFU) the order volume up to and including October decreased by 9% in comparison with the same period last year, showing a recovery from lower order intake levels earlier this year. Despite the upturn in market demand and improving operating rates at paper mills, selling prices softened in Q3 2009. In the first nine months of 2009, the average selling price of CVG was down 3% compared to the same period in 2008.

As in the first half of 2009, a part of production time at CVG in the second half of the year will be spent on the development and testing of new and improved products under the NBD (New Business Development) programme. NBD products, which are gradually replacing products that are at the end of their life cycle, are contributing favourably to results and the prospects of the Company. CVG expects the total NBD sales volume in 2009 to exceed 45,000 ton, which is above target and well on track to reach the goal of 80,000 ton set for 2012.

The insolvency risk of our customers is higher than in the past. Combined with decreased credit insurance cover, CVG's results could be adversely affected by customer insolvencies. Since 30 June 2009, no major customer insolvencies have been reported.

CVG's order book is good, although at a lower level than last year. Production and sales volumes in the second half of 2009 are expected to be slightly better than in first half of 2009. For the full year the sales volume is expected to reach around 200,000 ton, which is 6% below last year's level.

Bleached pulp prices

Bleached pulp is the most important raw material for CVG's papers. Pulp prices bottomed out in spring 2009, at price levels 30% below last year's highs. Pulp production curtailments, low inventory levels at suppliers and consumers, especially in Europe and continued strong demand from China provided pulp producers with stimulus to increase pulp prices. Pulp price increases are gaining strength in recent months.

Since April 2009, the NBSK benchmark (long fibre) pulp price surged by 30% from its low to around USD 750 per ton. The weakening of the USD compared to EUR, has mitigated the price increases in EUR. The price of short fibre pulp, which is of greater importance for CVG than NBSK pulp, is currently trading around EUR 50 above the average price level per ton in the 1st half of 2009. As a consequence, CVG has announced selling price increases in several markets, effective as from the start of Q1 2010. The magnitude of selling price increases will be crucial for the development of results in 2010.

Crown Van Gelder will publish the 2009 annual results on 12 February 2010 (before market opening).

For more information, please contact:

Henk van der Zwaag, CFO, tel. + 31 (0)251 262200.

Profile:

Crown Van Gelder N.V. produces and sells high quality specialty products in the woodfree uncoated and single-coated paper sector. The company is based in Velsen (the Netherlands) and employs around 300 people.

The company operates two paper machines and its product portfolio consists of a range of specialty paper grades for transactional print, envelopes and other stationery, direct mail, books and manuals, packaging materials and tailor-made face and base paper customer solutions, like base papers for self-adhesive materials and direct thermal printing.

Crown Van Gelder N.V. is listed at the Official Market of NYSE Euronext Amsterdam.