ANNUAL REPORT
2013

CROWN VAN GELDER N.V.

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The new brand name for high-speed inkjet paper: Crown Letsgo.
Crown Van Gelder has the ambition to produce the best inkjet papers and to deliver the best service, now and in the future.

Stand at the LabelExpo 2013 in Bruxelles

COMPANY INTRODUCTION

COMPANY PROFILE

Based in Velsen, the Netherlands, Crown Van Gelder N.V. is a specialist paper manufacturer with around 280 staff and two paper machines. Its products – paper on reels – range from 40 g/m^2 to 260 g/m^2 and are mainly distributed in Western Europe. The company is listed on NYSE Euronext Amsterdam (ISIN number: NL0000345452), and registered with the Chamber of Commerce under number 34059938.

The strengths of Crown Van Gelder:

- firm position as a niche manufacturer with a broad product range and an excellent reputation in a market to which first-class products for specific applications are key;
- loyal customer base inspired by our customer-oriented attitude;
- innovative products, thanks to close cooperation with our customers and technology partners;
- a flexible manufacturing process in which quality, close mutual cooperation, and an attractive work environment are a given;
- strategic location in the heart of western Europe with efficient transport connections;
- attention to the sustainability of our processes and products;
- transparent communication about plans and performance.

VISION

Playing on its core strengths of customer-oriented service, innovativeness and operational flexibility, Crown Van Gelder wishes to specifically profile itself as a speciality supplier of high-quality woodfree uncoated and single-coated paper. Crown Van Gelder's goal is to contribute to creating value for its customers and shareholders whilst continuing to be attractive to its employees.

Our 'Focus 2016' strategy concentrates on the following priorities:

- commercial focus on high-speed inkjet, label and special packaging;
- increase in production efficiency;
- investment in sustainable employability;
- strategic partnerships with other market parties.

KEY FIGURES

EUR x 1,000	*2013*	*2012*	*2011*	*2010*	*2009*
Revenue	158,050	166,868	162,292	160,882	144,669
Operating result[1]	(8,418)	658	(5,217)	(2,830)	5,372
Net result[2]	(13,047)	(24,260)	4,272	(12,909)	4,520
Depreciation	4,732	6,113	6,248	8,225	8,275
Capital expenditure	6,469	4,948	3,782	5,091	5,973
Sales (ton)	206,600	216,200	203,100	208,800	198,200
Production (ton)	205,700	215,000	203,900	207,700	197,800
Number of employees (average)	286	282	292	309	301
Number of depository receipts of shares at year-end	4,356,005	4,356,005	4,356,005	4,356,005	4,356,005

[1] The operating results for 2010, 2011, 2012 and 2013 are excluding non-recurring items.
[2] The net result in this overview is the net annual result that is available to Crown Van Gelder's shareholders, as stated in the consolidated income statement.

STATUS OF 'FOCUS 2016' GOALS

Description	*Goal 2016*	*2013*	*2012*	*2011*	*2010*	*2009*
Focus product sales	138,000	82,500	78,000	-	-	-
Complaints per 1,000 ton	1.8	2.5	2.3	2.5	2.7	4.5
Production (ton)	235,000	205,700	215,000	203,900	207,700	197,800
ROCE	> 10%	(19.1)	1.0	(6.7)	(3.2)	5.7
Absence due to illness	< 4%	4.6	5.2	6.7	4.1	4.7
Absence due to industrial accidents	max. 3	0	1	5	3	0
Energy Efficiency Index	83	93.2	90.8	91.7	91.6	95.6

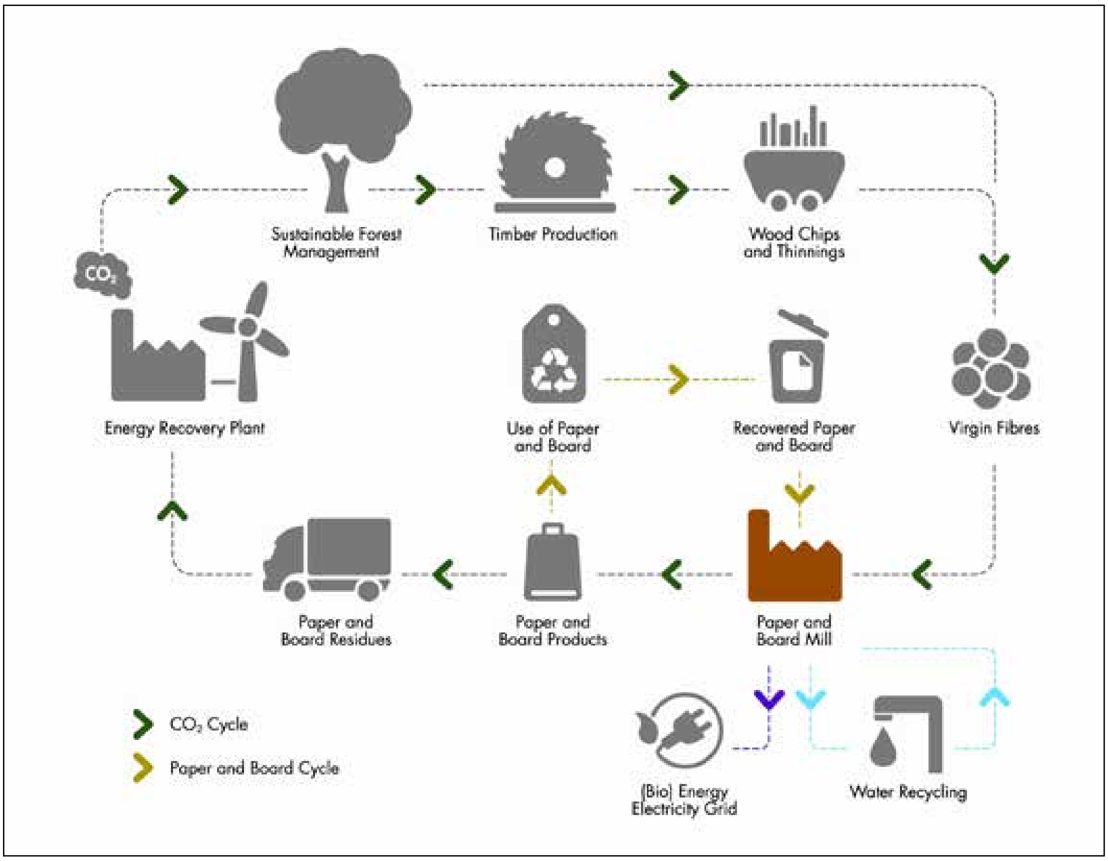
ABOUT THIS REPORT

The developments relating to public reporting are occurring in rapid succession. We closely follow these developments because transparency has an essentially positive effect on the sustainability of our business model. One development that has been the topic of a great deal of discussion is the International Integrated Reporting Council's (IIRC) publication of the integrated reporting framework.

An integrated report summarises how a company's strategy, corporate governance, results, and prospects lead to value creation for its stakeholders in the short, medium, and long term. We view integrated reporting as compatible with our strategy and the method we have been following for years in gradually making our business model sustainable. In managing the organisation, we no longer make, or feel, any distinction between financial management and management based on non-financial performance indicators relating to sustainability and operational excellence. Because this needs to be reflected in our external reporting, we took the decision in 2013 to combine the sustainability report and the financial report based on the IIRC's integrated reporting framework. We are therefore issuing a single report for 2013 that demonstrates our efforts in the last year to arrive at an integrated strategy. Therefore a materiality analysis has been incorporated. This report will also inform our stakeholders about the progress Crown Van Gelder has made in respect of the goals we set in Focus 2016.

The scope of the report covers our operating activities and the sourcing of our raw materials. The reporting year ran from 1 January to 31 December 2013.

Business Process



The paper industry is uniquely placed: worldwide, it is the largest industry that manufactures a fully recyclable product that is also based on natural and renewable raw materials. Of the materials used to manufacture Crown Van Gelder's paper, 99% are biobased: pulp sourced from sustainably managed forests, starch, natural pigments and surface water. Only certain process additives, colouring agents and glues are not biobased; we use natural gas as an energy source in our production process.

Because of our customers' requirements and given that we manufacture high-quality paper specialities, Crown Van Gelder can not use recycled paper in its production process.

Certifications

By certifying our management system, Crown Van Gelder wants to demonstrate to its stakeholders that the operating processes are firmly embedded in the organisation. Crown Van Gelder is an industry leader:

1994	Quality Management System (ISO 9001)
1997	Environmental Management System (ISO 14001)
2005	Occupational Health and Safety Management System (OSHAS 18001)
2005	FSC® – Chain of Custody (Sustainable Forest Management)
2005	PEFC™ – Chain of Custody (Sustainable Forest Management)
2012	Energy Management System (ISO 50001)

An Ecolabel certificate has also been awarded to various products in the range we supply.

The formal description of the management systems lays down our duties and responsibilities in the area of corporate social responsibility. The Chief Executive Officer is ultimately responsible for the policy conducted and the results achieved in the area of corporate social responsibility. The certifications page on our website provides a brief explanation of how corporate social responsibility duties are delegated.

Because food safety is a key topic in the packaging industry, Crown Van Gelder will implement a food safety management system in early 2014, with possible certification to follow in the second half of the year.

STAKEHOLDERS AND SUPPLY CHAIN RESPONSIBILITY

Crown Van Gelder maintains intensive contact with stakeholders. Appendix 2, 'Stakeholder Consultation' (see www.cvg.nl), contains an overview of our stakeholders and how we interact with them. The materiality matrix shows the topics to which our stakeholders want Crown Van Gelder to devote attention.

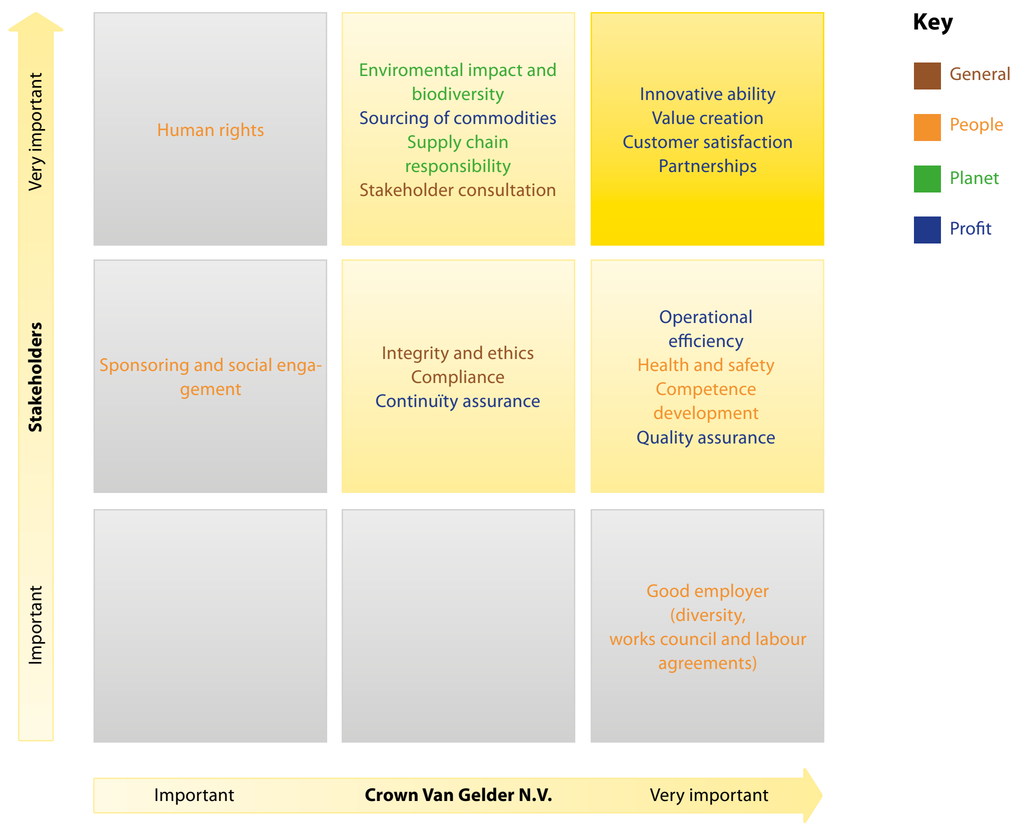
Investor relations

At Crown Van Gelder, we set great store by maintaining good relationships with existing and potential depository receipt holders. The company organises meetings twice a year with analysts, who issue reports on the issues discussed. In addition, we also meet with investors and investors' groups, all of whom are welcome to visit our facilities. Our website frequently features reports on the latest developments as well as recent press releases.

Materiality analysis

The materiality matrix is based on a risk assessment, our prioritising of corporate social responsibility (CSR) issues, and our dialogue with our stakeholders. The annual risk assessment, which is performed by the Management Board in consultation with the management team, identifies the most significant risks and the measures to be taken. The section on risk management in this annual report explains the risks that could have a substantial impact on the company's financial position. In order to identify significant corporate social responsibility issues, Crown Van Gelder has applied the methods in the framework of the ISO 26000 self-declaration, which are described in the NPR 9026:2011 standard. The materiality matrix identifies the most significant CSR issues that Crown Van Gelder addresses in its report from the Management Board.

Materiality matrix



Responsible supply chain management

In developing and producing paper types, Crown Van Gelder imposes a requirement that the paper be reusable in the supply chain as recycled paper, a raw material. The company also imposes sustainability requirements on its suppliers. The periodic supplier evaluations are based on our suppliers code of conduct. If a supplier's performance does not meet the requirements, Crown Van Gelder makes agreements with the supplier regarding the necessary improvements to be made.

Human rights and sustainability are top priorities for Crown Van Gelder. Because our end product is constituted primarily of pulp and this is the only raw material which we acquire mostly from sources outside Europe, all of our pulp must be FSC® certified. This requirement ensures that all of our pulp is sourced from sustainably managed forests. It prevents illegal logging and supports the traditions and/or civil rights of indigenous communities and employees and their economic development.
It also safeguards the biodiversity of the forests.

Crown Van Gelder holds a continuous dialogue with its customers and suppliers in order to realise improvements in the supply chain. The pulp is transported on inland waterways from the ports of Rotterdam, Vlissingen, and Antwerp, which has reduced road transport in recent years. Our finished product, paper on reels, is mostly transported by road. Most products destined for Italy are transported by train.

The performance indicators concerning corporate social responsibility are explained in the Report of the Management Board on page 24-26.

The Management Board and the Supervisory Board from left to right: Jacques van den Hoven (Chairman), Miklas Dronkers (CEO), Emile Bakker, Henk van der Zwaag (CFO), Theo Philippa, Han Wagter, Henk van Houtum

REPORT OF THE SUPERVISORY BOARD

INTRODUCTION AND PROFIT DISTRIBUTION

We hereby present Crown Van Gelder N.V.'s financial statements for 2013, and recommend that the shareholders adopt the financial statements at their Annual General Meeting (AGM). The financial statements have been prepared by the Management Board and have been audited by PricewaterhouseCoopers Accountants NV (PwC), whose unqualified audit report can be found under 'Other Information' in the Annual Report. The report of PwC is based on the new proposed format of the IAASB which is more informative for our stakeholders than the old version.

The Supervisory Board has discussed the financial statements, which report a net loss of EUR 13 million, with the Management Board. In light of this loss, the Management Board has proposed foregoing distributing a dividend for 2013. The dividend proposal is supported by the Supervisory Board. We recommend that the shareholders discharge the Management Board and Supervisory Board from liability for the management and supervision pursued in 2013.

COMPOSITION AND OPERATING PROCEDURE OF THE SUPERVISORY BOARD

Details of the Supervisory Board's operating procedure and responsibilities are stated in its Profile and Regulations. The Profile and Regulations are available for inspection at the company's offices and can also be accessed on the company's website (www.cvg.nl). The Supervisory Board's membership composition reflects the Profile and ensures broad expertise in areas relevant to the company. Newly appointed Supervisory Directors are offered an orientation programme to introduce them to specific aspects of the company at the financial, operational and strategic levels. The Supervisory Directors confirm that they can operate independently and be critical, both individually and in their dealings with the Management Board. In its opinion, the Supervisory Board is in compliance with best practice III.2.1 as set out in the Dutch Corporate Governance Code ('the Code').

In 2012, the size of the Supervisory Board was temporarily increased from five members to seven. This temporary expansion, which was approved by the shareholders at the extraordinary General Meeting of Shareholders, held on 9 November 2012, was effected by the Board in anticipation of the upcoming departure of Klaas Schaafsma as a member and Berry Bemelmans as chairman of the Supervisory Board. Partly in connection with the strategic review that was completed in late 2012 and early 2013, the Board places high value on a thorough orientation period for, and a smooth transfer of duties to, the new Board members.

Klaas Schaafsma and Berry Bemelmans resigned at the AGM on 16 May 2013, after which Jacques van den Hoven accepted the position of chairman of the Supervisory Board. The Supervisory Board expresses sincere thanks to Klaas Schaafsma and Berry Bemelmans for their valuable contribution to the company during their years in office.

The Supervisory Board's job profile is used as a basis for selecting future candidates. In filling the vacancies on the Supervisory and Management Boards, the Supervisory Board continues to strive to strike a better balance between the number of men and women. The Supervisory Board is also pleased to note that women hold 40% of the positions on Crown Van Gelder's management team.

During the year, the Supervisory Board met thirteen 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 share views on internal corporate affairs, operating results, developments in the various markets, safety in the workplace, and the company's strategy.

Among the issues discussed internally by the Supervisory Board were the company's strategy, operational performance and results, business risks, particularly with regard to the company's financing, capital expenditure, implementation of investment plans, potential effects of the unrest on the financial markets and the economic recession, trends in market demand and production capacity use, the development of new products, outcome of the Management Board's review of the structure and operation of the internal risk management and control systems, Management Board membership and remuneration, corporate image, management development, corporate governance, sustainability, and investor relations. In the field of corporate social responsibility, sustainability reporting and other sustainability issues relevant to the company were discussed.

The Supervisory Board reviewed its own performance without the Management Board present.
The review regarded the Supervisory Board's performance as a whole, as well as the performance of individual members. A checklist was used to prepare for the performance review. The composition of the Supervisory Board is broad and balanced. Its members possess all of the competencies needed for efficient supervision. The Supervisory Board's communication, including with the Management Board, is characterised as open and critical. The information needed is always made available in a timely and complete fashion. There are sufficient opportunities for asking questions and discussing issues. The performance of the Management Board was also discussed at the meeting, as was the degree to which the pre-agreed targets had been achieved. Meetings were held frequently in 2013 in connection with the developments in Crown Van Gelder's performance.
Issues discussed during closed meetings included the Supervisory Board's desired profile and membership composition, its powers, and the Audit Committee's performance. These deliberations have not led to any change in the profile or regulations.
If a supervisory director is unable to attend more than two Supervisory Board meetings, this fact is stated. That was not the case in 2013.

The view of the Supervisory Board is that, given the company's transparent structure, no other committees than the Audit Committee need to be formed to carry out specific tasks. All activities and responsibilities of subcommittees (remuneration, recruitment and selection), as defined in the Code, have been entrusted to the Supervisory Board as a whole.

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

AUDIT COMMITTEE

In 2013 the Audit Committee comprised Supervisory Board members Wagter (Chairman) and Philippa, who were elected for their financial expertise. In 2013 the Audit Committee met twice to discuss the 2012 financial statements and 2013 half-year results, and the interpretation of IFRS standards, particularly that concerning periodic impairment accounting because it could have a considerable impact on Crown Van Gelder's financial position and performance. Other topics included the company's financing, risk profile, risk management, and credit portfolio risk exposure.
The Audit Committee's reports were discussed at the Supervisory Board's plenary meetings.
The Audit Committee consulted with the external auditors once, without the Management Board attending.
Crown Van Gelder has no internal audit department. After conducting its annual review, the Audit Committee concluded that the company's structure and size did not justify an internal audit department. The Supervisor Board agreed with that recommendation.

CORPORATE GOVERNANCE

At the AGM in May 2013, the issue of corporate governance was raised with the shareholders.

At the AGM, an explanation was given for Henk van der Zwaag's appointment with effect from 1 June 2013 as a second Statutory Director and as a member of Crown Van Gelder's Management Board, holding the position of Chief Financial Officer. The expansion of the Management Board is also intended to balance the Management Board's workload and to reduce the vulnerability that is inherent in having a one-member Management Board, also in light of the challenging economic and financial circumstances in which the company is being forced to operate.

The clarification of the Management Board's variable remuneration was also discussed.
The Management Board gave an explanation of the company's reserve and dividend policies.
The minutes of the AGM are posted on the company's website.

In May 2013, the Board of Stichting Administratiekantoor Crown Van Gelder (Trust Office) held a meeting with the holders of depository receipts. The minutes of the meeting with the depository receipt holders are posted on the company's website. The draft minutes on the May 2013 shareholders' meeting were posted for comments on the company's website for three months. After expiry of this period, the minutes were adopted by the Supervisory Board and the final version published on the website.

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

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

The meetings with the auditors addressed the company's results and related matters, impairment calculations, financing, new factoring agreement with ABN AMRO, risk statement and annual auditor's report.

The external auditor attended the Supervisory Board meeting at which the conclusions in the auditor's report with regard to the financial statements were discussed. The external auditor was also present at the May 2013 AGM, at which an explanation was provided of the scope, materiality standard, and most important elements of the audit PwC performed of the annual financial statements.

Once every year, the Management Board and Audit Committee report to the Supervisory Board on the manner in which their relationship with the external auditor has progressed, and once every four years they review the external auditor's performance. The 2013 financial year was the second one in which PwC audited the annual financial statements.

In the light of measures that should be taken to consolidate the (market) position of Crown Van Gelder, management and Supervisory Board have re-evaluated the company's corporate governance structure. In the current financial and economic conditions, it is considered appropriate to terminate the call option right of Stichting Continuïteit Crown Van Gelder to subscribe for a number of new preference shares. As from 1 June 2014 Crown Van Gelder will no longer have a protective device in place.

REMUNERATION OF THE MANAGEMENT BOARD

Remuneration policy

The Management Board remuneration policy was adopted by the shareholders at the AGM in 2009 and is available on the company's website. Management Board remuneration is based on the report of the Hay Group in which remuneration levels are published for peer positions. The assignment to review the remuneration proposal was issued by, and the review findings reported to, the Supervisory Board chairman only. The Supervisory Board decided to allow the basic elements of the existing remuneration policy to remain unchanged for 2014.

The existing remuneration policy takes into account the company's risk profiles, salary trends in the Netherlands and abroad, and corporate governance developments. The effect on remuneration ratios within the company were taken into consideration when establishing the total remuneration amount. The remuneration policy can be viewed on the company's website.

In early 2014, the Supervisory Board engaged an external remuneration expert to review the remuneration policy, taking societal trends into account. The results of the review could influence the remuneration policy starting in 2015.

Management Board remuneration 2013

Under the current remuneration policy, the Management Board's remuneration comprises fixed and variable components. The Supervisory Board set the fixed component for 2013 at EUR 205,000 for the CEO (2012: 185,000) and EUR 160,000 for the CFO.

The amount of the variable component depends on the company's return on equity and its profit growth, as well as the degree to which long-term goals and specific commercial targets have been met. These include targets relating to strategy development, development of focus product sales, working capital management, safety, and production volume. These constitute trade secrets and are thus not made public. The payment of variable remuneration depends on whether these targets are achieved. The Supervisory Board ascertains that the variable pay item is structured in such a way as not to encourage risk taking that conflicts with sound business practice. The variable component may never exceed 45% of the fixed component.
Given that some of the company's commercial targets unrelated to its financial performance were met under extremely difficult circumstances, the Supervisory Board has decided to award both Management Board members variable remuneration of EUR 12,000 for 2013.

Please see the financial statements for 2013 (as included in the Annual Report 2013 on page 66-67) for more details.

INTERNAL CORPORATE AFFAIRS

Consultations were held between the Supervisory Board and Management Board to discuss the development of the company's operating result, sales development, particularly with regard to focus products, capacity utilisation and the level of investment against the backdrop of trends in the company's relevant sales and procurement markets as well as the difficult European market conditions under which the company had to operate in 2013. The Supervisory Board notes that the company adequately responded to the poorer results in 2013. The company's attention continues to be devoted to the powerful marketing of focus products with clear market potential and higher added value, and this remains a priority for the company. The Board notes that permanent changes will continue to pressure the total demand for paper in Europe. This will require the company to demonstrate a high degree of awareness and flexibility, while also being results-driven and strictly controlling operating costs.

Together with the Management Board, the Supervisory Board notes that economic recovery in Europe is taking longer than was expected, but that there are signs that economic prospects will improve in 2014. Based on the extra measures that have been taken, the gradually improving economic conditions in Europe, and the paper industry capacity reductions that have been announced (which will result in a better supply and demand ratio), Crown Van Gelder's financial performance is expected to substantially improve in 2014.

COMPANY STRATEGY

The company's strategy is set out in 'Focus 2016'. The company continues to build on its core strengths, particularly its customer-oriented service and operational flexibility. The company's commercial strategy will focus on three core areas (high-speed inkjet, label, and special packaging) to better distinguish its business and activities from those of the competitors in these markets.

The Supervisory Board notes that these changes in the commercial strategy will make both internal and external contributions to a stronger commercial focus, and will more clearly profile the company as a supplier of high-quality products in the various markets.

In 2011-2012, Crown Van Gelder actively sought partnership opportunities with other market players. Those efforts did not lead to any concrete results. Against the backdrop of improving economic prospects and stronger profiling of Crown Van Gelder as a niche player in the focus areas, the active search for a strategic or financial partner has been resumed in early 2014.

The Supervisory Board believes that the return to the desired level of profitability can be expedited by finding a strategic or financial partner, and that such a partnership may promote the long-term prospects for the operating activities in Velsen.

FINAL NOTE

The Supervisory Board notes that although a significant operating loss was reported for 2013, the company took all the necessary steps in the past year to defend and, where possible, strengthen its market position, as well as to safeguard its financial position under challenging economic circumstances. The 'Focus 2016' strategy has laid a solid foundation for the company's achievement of its ambitions in the coming period. In 2014, Crown Van Gelder will specifically focus on increasing growth in the core areas of high-speed inkjet, label, and special packaging, which provide a higher added value for both the customer and the company than the more traditional graphics products. In order to mitigate the pressure on results, the company has implemented a programme of measures to improve sales, increase efficiency, and decrease costs, investments, and working capital. The first results of this programme became apparent in the second half of 2013 and the programme will be effectively continued, in the interests of the company's future.

Velsen, the Netherlands, 20 March 2014

The Supervisory Board:
Jacques van den Hoven, Chairman
Emile Bakker
Henk van Houtum
Theo Philippa
Han Wagter

REPORT OF THE MANAGEMENT BOARD

SUMMARY

Results for 2013

Crown Van Gelder incurred a net loss of EUR 8 million, excluding non-recurring items in 2013 and a net loss of EUR 13 million, including non-recurring items. In 2012, a net profit was generated of EUR 1.2 million, excluding non-recurring items and a net loss of EUR 24.2 million, including non-recurring items. The poorer results, excluding non-recurring items, in 2013 are due to a combination of particularly weak market conditions, increased costs of raw materials, and a sharp increase in energy prices.

Sales fell by 4% to 206,600 ton. Crown Van Gelder's commercial performance in 2013 was significantly influenced by the setback suffered by the European economy and its impact on the European paper market. Market confidence was exceptionally low and, in the wake of a sharp setback in recent years, the order volume on the European market for woodfree uncoated paper was down 3% in comparison to 2012. The primary cause of the drop in sales in 2013 was the lack of the usual export possibilities outside Europe.

Ambitions for growth in the focus areas – paper for niche markets for high-speed (digital) inkjet, label, and special packaging applications – were also hindered by the negative market sentiment in Europe. Although focus products' share of the total sales rose to 40% (2012: 36%), this fell short of management goals.

Costs of raw materials and energy

The developments in raw materials prices and the energy markets were affected by more positive economic developments in other parts of the world, particularly North America and China. On balance, the average price Crown Van Gelder paid for pulp in 2013 was up 3% in comparison to the previous year. The corresponding cost increase amounted to EUR 2 million. With the expiration of energy contracts at the end of 2012, which had been concluded for a price that was well below the 2013 market price levels, Crown Van Gelder had to begin paying the substantially higher market price for natural gas in 2013. This resulted in a cost increase of 19%, or EUR 3.6 million increase over the previous year.

'Focus 2016' strategy

Since 2006, Crown Van Gelder has developed a broad product range thanks to its New Business Development (NBD) programme. The 'Focus 2016' strategy builds on our core strengths – customer-oriented service, innovativeness and operational flexibility – and concentrates on the following four priorities:

- Commercial focus on high-speed (digital) inkjet, label and special packaging. These products offer our customers higher added value and an attractive margin for us.
- Increase in production efficiency. By continuing to improve our processes, we achieve a higher net production rate at lower cost while simultaneously improving our environmental performance.
- Investment in sustainable employability. We continue to invest in our staff's training, health and safety, reaping the benefits of keeping our staff fit and committed to our company.
- Partnerships with other market parties. Whenever possible, we enter into partnerships with companies that complement our strategic, technological or commercial abilities.

Although the company's commercial and operating strategy is sound, account must be taken of the fact that the prevailing unfavourable market conditions could continue for some time and that it may take longer to achieve the company's strategic and financial goals. In order to mitigate the pressure on results, the company has taken extra measures to improve sales, increase efficiency, and decrease costs, investments and working capital.

Prospects 2014

On the back of the improving general economic and market outlook in Europe, the company's goal for sales and production volumes in 2014 is between 215,000 and 220,000 ton, a strong increase from around 206,000 realised in 2013. Crown Van Gelder will focus on growth in the niches high-speed (digital) inkjet, label and special packaging, which will contribute to the improvement of results. Management aims at 20,000 ton of extra sales in these niche products in 2014.

We are taking all necessary steps to consolidate our market position and to safeguard our financial position in a challenging business environment. The development of results in 2014 will depend on the general economic prospects in Europe, the demand for paper, selling price, pulp price, energy price and exchange rate developments. The ultimate impact of these factors is yet uncertain, but based on the additional measures that have been taken, improving economic conditions in Europe and announced paper capacity closures, we expect an important improvement of results in 2014.

RESULTS 2013

Results

In 2013 revenue fell by almost EUR 9 million to EUR 158 million. Sales stood at 206,600 ton in 2013, down 4% in comparison to 2012, when 216,200 ton were sold. Output was 205,700 ton in 2013, down 4% in comparison to 2012, when the company produced 215,000 ton.

Crown Van Gelder's commercial performance in the first half of 2013 was significantly influenced by the setback suffered by the European economy and its impact on the European paper market. Despite negative market sentiment, the company was able to fully utilise its production capacity during the first half year. The customary slack in the order portfolio during the summer, however, was more pronounced than in previous years. Export possibilities outside Europe, which had made full utilisation of our production capacity possible during this period, were less attractive due to high costs and low selling prices. This led to demand-related plant shutdowns totalling three weeks in the third quarter of the year.

The operating loss in 2013 amounted to EUR 8.4 million, a drop of EUR 9.1 million in comparison to the operating profit of EUR 0.7 million (excluding non-recurring items) in 2012. At the end of 2013, 17,600 ton of finished products were in stock, a somewhat lower level than the previous year (2012: 18,800 ton).

Crown Van Gelder supplied 77.9 GWh of electricity to the public grid, generating EUR 3.9 million in revenues (2012: 70.5 GWh and EUR 4 million).

Improvement projects were started in 2013 with the goal of both improving the stability of the machine park and anticipating the decreasing size of customer orders. One of the goals of these improvement measures is to reduce the time it takes to change between paper types. Through this approach, Crown Van Gelder will be able to increase the total production volume of its paper machines to 235,000 ton per year by 2016. The Overall Equipment Effectiveness (OEE) system was introduced to the mill to enable paper machine performance to be monitored and directed. Crown Van Gelder wants to further reduce the difference between gross production and net saleable production. The improvement measures will increase efficiency and thus contribute to more sustainable business operations, lower costs, and better performance.

On 31 December 2013, the company's market value was lower than its net asset value. In line with IAS 36.12d, an annual impairment test was carried out. The outcome of the test was reason for the company to recognise an impairment loss of EUR 5 million on tangible fixed assets (2012: EUR 20.4 million). Please refer to the financial statements in the Annual Report 2013 on page 50-51 for more detailed information.

Market developments

The order volume on the European market for woodfree uncoated paper was down 3% in comparison to 2012. The order volume on the related woodfree coated paper market dropped even more sharply, by 5%, causing this market to diverge somewhat towards our market. In addition, the drop in the order volume for A4 paper in the woodfree uncoated paper market was more pronounced than for paper on reels (-4% and 0%, respectively). All of these developments put pressure on prices in 2013.

Export possibilities outside Europe, which had made full utilisation of our production capacity possible during the summer months, were less attractive due to high costs and low selling prices. Sales in 2013 dropped by 4% to 206,600 ton (2012: 216,200 ton), largely due to the lack of such export possibilities.

Sales of focus products rose by 6% to 82,500 ton, but were affected by the economic recession in Europe, as a result of which we did not meet our goal for 2013. Focus products now account for 40% of our total sales.

There were obvious positive developments on the high-speed (digital) inkjet market. The printing industry transition from conventional techniques such as laser and offset printing to inkjet printing is picking up speed. With its wide product range and know-how, Crown Van Gelder is viewed as a market leader in the rapidly growing world of high-speed inkjet papers.

Market leadership was reconfirmed in February 2013 at the well-attended international Hunkeler Innovation Days trade fair in Switzerland, where Crown Van Gelder had a stand. During this fair, Crown Van Gelder and Hewlett Packard (HP) concluded a partnership agreement relating to their collaboration on the worldwide HP ColorPro marketing and quality programme for high-speed inkjet paper. This agreement will further bolster Crown Van Gelder's position as the leader in this market.

A new marketing programme was kicked off in September 2013, in the context of which our company logo and marketing website were updated and new company and product brochures were introduced, including those relating to our Letsgo brand. Our Crown Digital range has been renamed Crown Letsgo. Superior quality, an extensive product portfolio, service excellence, and the development of innovative products: these are the hallmarks of the new Letsgo brand. The new name was inspired by our mission – work proactively with customers and suppliers all over the world and use the newest cutting-edge technologies: 'Let's work together to make the best paper, create a new standard, and create market growth. Let's go.'

As a result of the economic recession, the demand for self-adhesive labels dropped, reason why our label product sales were under pressure. Crown Van Gelder had a stand at the Label Expo in Brussels in September 2013, to promote labels and other paper specialities. There is beginning to be an interest in high-speed inkjet possibilities for label applications as well, such as personalising labels for marketing campaigns.

The market for special (white) packaging papers is growing at a healthy rate. Crown Van Gelder's activity in this segment relates to liners for solid cardboard, flexible packaging, and paper shopping bags. In 2013 we successfully achieved a significant increase in turnover.

The present economic situation and customer insolvency may negatively impact Crown Van Gelder's performance. As was the case in 2012, only minor outstanding claims were written off as bad debts in 2013.

Pulp prices

During the course of 2013, the net capacity of market pulp increased by 1 million ton, or 1.9%; worldwide demand was up by 3%. In the first half of 2013, demand was high from Europe and North America, with China lagging significantly behind. The situation was reversed in the second half of the year, which was primarily reflected in the price of long-fibre pulp. This notwithstanding, the demand from China was barely up in comparison to 2012.
The price of long-fibre pulp, NBSK, rose during the year by USD 100 to USD 906 at year-end 2013, after levelling off during the summer months at USD 860. Production problems and a delayed start in new capacity precluded the price drop normally seen in the traditionally weaker summer season, after which increasing demand from China relating to those problems and delays drove prices higher. In euros, the NBSK price rose from EUR 615 to 655 at the end of 2013, EUR 35 above the level of the previous year. On average, NBSK pulp prices in USD terms rose by 5% in 2013 compared to 2012. Due to the weakening of the USD, average NBSK pulp prices in EUR terms rose by 2%.
The price for short-fibre pulp, BHKP, which is more important for Crown Van Gelder's products, developed differently than that for long-fibre pulp. At the end of 2012, BHKP stood at USD 775, increasing to USD 820 at the end of June because demand exceeded supply by a narrow margin. In contrast to NBSK, decreasing demand in the summer months resulted in a drop in the price to USD 770 at year-end 2013; a delay in new capacity until 2014 had only a negligible effect. As a result, the difference in price between short-fibre and long-fibre pulp rose during the course of the year from USD 35 to USD 135. In EUR, BHKP went from EUR 595 to EUR 630 in July, ending on a low of EUR 560 at the end of December, EUR 35 lower than a year before.

Earnings per share and profit appropriation

In 2013 net earnings per depository receipt were a loss of EUR 3.00 (2012: loss of EUR 5.57). Excluding non-recurring items, the net loss per depository receipt in 2013 was EUR 1.86 (2012: a net profit of EUR 0.26).

The Management Board proposes, with the approval of the Supervisory Board, given the company's net loss for 2013, that the shareholders forego the dividend for 2013.

Financing

Capital expenditure in 2013 amounted to EUR 6.5 million, most of which was spent on the periodic revamp of the combined heat and power plant. In 2014 capital expenditure is expected to amount approximately EUR 4 million.

Measures to reduce the amount of working capital resulted in a decrease of EUR 11 million in working capital since 30 June 2013. The working capital reduction contributed to the decrease in interest-bearing liabilities in the second half of 2013 with EUR 8 million to EUR 10 million. In comparison to year-end 2012, interest-bearing liabilities rose by approximately EUR 4.5 million. Its solvency ratio at year-end 2013 stood at 56% of the balance sheet total (2012: 66%).

In February 2014, Crown Van Gelder entered into a factoring arrangement with ABN AMRO. The adjustment to the financing structure relates to the changing circumstances in the market in which Crown Van Gelder operates. The factoring arrangement replaces Crown Van Gelder's former financing agreement with ABN AMRO. Under the factoring agreement an amount up to EUR 20 million can be utilised against an interest rate of 1 month Euribor plus 265 bps. The arrangement contains terms and conditions and a collateral package (including security over trade receivables and inventory) customary for these type of contracts. Capital expenditure and working capital can be fully financed from the new credit lines.

STRATEGY

Since the financial and economic crisis of 2008, the European economy has shrunk – and subdued economic growth is expected for the foreseeable future. The graphic paper market has also been hit, partly as the result of the digitisation of society. The permanent shift from hard copy to soft copy has been hastened by the recent recession.

We at Crown Van Gelder focus on niches that do not attract our industry's major players, niches in which we can use our flexibility and convenient location in western Europe to our advantage. Most of our competitors in these niches are smaller manufacturers or the 'small' paper machines of major players who, like Crown Van Gelder, do not have integrated pulp production.

Thanks to the New Business Development programme (2006-2012), we now have a wide, modern product range. In 2012, we had detailed market studies conducted into the future prospects for the existing and recently developed product portfolios. Our strategy focuses on the following niche products with substantial growth prospects, and our ambition is growth in these focus products to 60,000 ton by 2016 (in comparison to 2012):

- High-speed (digital) inkjet: Crown Van Gelder is a leader in this very promising niche market, a position we wish to significantly expand over the next four years – including in the book, magazine and promotional printing segments, where colour plays a significant role and special inkjet paper is essential.

- Label: Thanks to our years of experience, Crown Van Gelder has good reason for calling itself *the* specialist in label paper. We have a large market share of manufacturers that produce label fronts (the labels themselves) and/or backs (the backings). Our goal is to increase the number of our customers in this market and to bolster our market position.

- Special packaging: In recent years, Crown Van Gelder has also developed a product range for the packaging market. We have achieved a modest position on this market, which we hope to expand over the next four years.

In February 2013, we presented our 'Focus 2016' strategy, which details Crown Van Gelder's plans and ambitions for the 2013-2016 period. Over the next years we would like to intensively profile ourselves as a speciality-oriented supplier concentrating on three core niche markets. Our distinctive niche products will spur our growth and create value for our customers, our employees and our depositary receipt holders. We will continue to build on our core strengths: customer-oriented service, innovativeness and operational flexibility. The 'Focus 2016' strategy will concentrate on the following four priorities:

- Commercial focus on high-speed inkjet, label, and special packaging; these products offer our customers higher added value as well as an attractive margin for us.

- Increase in production efficiency. By continuing to improve our processes, we achieve a higher net production rate (235,000 ton in 2016) at lower cost while simultaneously improving our environmental performance.

- Investment in sustainable employability. We continue to invest in our staff's training, health and safety, reaping the benefits of keeping our staff fit and committed to our company.

- Partnerships with other market parties. Whenever possible, we enter into partnerships with companies that complement our strategic, technological or commercial abilities.

Early 2013, our sales department was transformed into a more target-oriented sales organisation that can rapidly meet the needs of the niche markets where we want to grow. To this end and where possible, we will meet our goals faster by working together with strategic partners, including wholesalers, specialised agents and OEMs. The geographic structure was converted into a market-driven structure that sharpens our focus and adds depth to the expertise of our specialised expertise of our sales team. At the same time, we invested in our commercial strength by appointing extra sales and product managers.

A good return on capital employed in the business contributes to the continuity of that business and is thus vital to all of Crown Van Gelder's stakeholders. Although our performance for 2013 did not meet the target formulated in 'Focus 2016', the broadening of our product range, our plans for the next few years, our ambitions and the measures we have taken to make up for this disappointing performance should enable us to once again achieve an adequate rate of return. Then we will also be able to pay an attractive dividend to our shareholders and depository receipt holders. Our goal is to achieve a return on capital employed (ROCE) of at least 10%.

We have reformulated our dividend policy as part of 'Focus 2016': Crown Van Gelder is assuming a 50% dividend pay-out; the dividend will be paid in cash. Dividend payments will depend on the need to fund replacement assets (free cash flow), keeping in mind the company's continuity and its credit limit.

In 2011-2012 Crown Van Gelder explored the opportunities for cooperation with other market players. The extensive search did not materialise in a tangible outcome. However, good contacts have been established with several parties and as mentioned before the company remained open to opportunities for cooperation. One of the priorities of the 'Focus 2016' strategy is to explore partnerships with other market players. The goal is to explore alternatives in order to speed up the process of returning to desired levels of profitability, and to strengthen the long term market position of Crown Van Gelder.
In the first quarter of 2014, we have resumed our active search for a partnership, against the backdrop of improving economic conditions and a stronger profile of Crown Van Gelder as a niche player in focus areas, despite adverse results in 2013.

PROSPECTS 2014

After the commercial downtime in the third quarter of 2013, order inflow improved in the fourth quarter of 2013 and Crown Van Gelder's order book at the beginning of 2014 was at a satisfactory level to keep production capacity fully utilised. On the back of the improving general economic and market outlook in Europe, the company's goal for sales and production volumes in 2014 is between 215,000 and 220,000 ton, a strong increase from around 206,000 realised in 2013.
Crown Van Gelder will focus on growth in the niches high-speed (digital) inkjet, label and special packaging, which will contribute to the improvement of results. Management aims at 20,000 ton of extra sales in these niche products in 2014.

Substantial pulp capacity (amounting to around 15% of current short-fibre supply) will come on stream in the first half of 2014, and it is expected that this additional supply will put downward pressure on pulp prices. Gas prices came down slightly early 2014, compared to 2013 levels. We are closely monitoring gas price developments and have decided to keep gas prices floating in anticipation of possibly lower market prices for gas in the future, given the current high price levels.

We are taking all necessary steps to consolidate our market position and to safeguard our financial position in a challenging business environment. The development of results in 2014 will depend on the general economic prospects in Europe, the demand for paper, selling price, pulp price, energy price and exchange rate developments. The ultimate impact of these factors is yet uncertain, but based on the additional measures that have been taken, improving economic conditions in Europe and announced paper capacity closures, we expect an important improvement of results in 2014.

CORPORATE SOCIAL RESPONSIBILITY

Reporting on corporate social responsibilty contributes to profiling Crown Van Gelder as a transparent company. CSR in this Annual Report together with the information on our website is based on the Global Reporting Initiative's G3.1 guidelines.

Our 2012 Sustainability Report was reviewed at the request of the Dutch Ministry of Economic Affairs, Agriculture and Innovation, against the Transparency Benchmark for Corporate Social Responsibility Reporting. Crown Van Gelder N.V. ranked 25th out of nearly 460 Dutch companies involved in the review. This effectively put the company in third place in the league table for the manufacturing industry.

Client satisfaction

Our focus on customer service and service levels continues to be an area for improvement. The number of complaints increased slightly in 2013, 2.5 complaints for every 1,000 ton of product sold (2012: 2.3).
Crown Van Gelder wants to improve customer satisfaction by including this as a standard topic in our contacts with customers. This will give us continuous insight into customer satisfaction developments and the issues that our customers consider important.

Environment and energy

Improving energy efficiency in the production process is one of Crown Van Gelder's key performance indicators. The company uses a vast amount of steam and electricity in its production process. This energy is generated in our own combined heat and power plant, resulting in a high energy yield. We strive for optimal production using a minimum amount of energy.

By signing the MEE Agreement (Multi-Year Energy-Efficiency Agreement for ETS Companies), Crown Van Gelder has committed itself to a joint industry effort to achieve an additional (20%) energy efficiency improvement by 2020 compared to the 2005 base year. We expect to do this by putting in place the Process Efficiency and Supply Chain Efficiency measures set out in the EEP (Energy Efficiency Plan), but the efficiency will definitely be influenced by the economic conditions in which we must operate. Our EEI (Energy Efficiency Index) in 2013 was 93.2, which lagged as the result of a shift in product mix (especially special packaging), a lower production volume and an increase in the number of product changes (2012: 90.8).

At the end of 2012 Crown Van Gelder was granted a new water permit that imposes somewhat stricter discharge requirements. The waste water treatment plant underwent several modifications in 2013 in order to satisfy these discharge requirements. This resulted in cleaner waste water and the possibility for a reduction in water pollution levies. Various parameters regarding the waste water are analysed by our laboratory on a daily basis.

All of the pulp Crown Van Gelder uses is sourced from sustainably managed forests. In 2013, 80% of the pulp used came with an FSC® or PEFC™ chain-of-custody certificate (2012: 78%).

Crown Van Gelder sets great store by maintaining good relationships with regulatory authorities. We have implemented a procedure that is intended to ensure that Crown Van Gelder stays up-to-date on statutory and regulatory changes so that timely measures can be taken to ensure our continuous compliance with the applicable laws and regulations. We will be applying to the provincial authorities for a new environmental permit in 2014.

Research and development

Crown Van Gelder's technology department is responsible for research and development (R&D), focusing on products and processes. In terms of product development (New Business Development), the company generally works in close consultation with customers, original equipment manufacturers (OEMs), and suppliers to the paper industry. The pilot runs are scheduled into the regular production programmes of both paper machines.

Crown Van Gelder also participates in several projects relevant to the Dutch paper industry as a whole. Part of the Paper Industry Energy Transition Plan, these projects are working groups that focus on saving energy and materials in the production process. In 2013, the Energy Efficiency Simulation in the Drying Process Project was kicked off with the goal of saving energy by monitoring our energy usage and determining the optimal configuration for the drying process.

The use of a new, biodegradable solvent (Deep Eutectic Solvent) that makes the extraction of pulp from wood much more clean and energy efficient is now the subject of revolutionary research within the European paper industry. Crown Van Gelder is one of 14 European companies in the consortium that will sponsor research at Eindhoven University of Technology starting in 2014.

Workforce

The sustainable employability of our staff is a top priority for Crown Van Gelder. We wish to be, and remain, an attractive employer of a diverse group of employees who feel sufficiently challenged to pursue their personal development.

At the end of 2013, Crown Van Gelder employed 282 staff, compared to 284 staff at the end of 2012. Absence due to illness dropped from 5.2% in 2012 to 4.6% in 2013. Crown Van Gelder is still dealing with employees who have long-term illnesses unrelated to their jobs. Some of these employees began a course of reintegration in 2013. Three employees passed away due to illness. An extensive package of measures is aimed at supporting employees' health and fitness, reducing illness-related absences. In 2014, our employees will be offered the opportunity to participate in periodic medical examinations.

In 2013 there were no accidents that resulted in absenteeism (2012: 1). The number of accidents with no resulting absenteeism rose to 26 (2012: 23). There were 103 incident reports (2012: 83), which is the result of increased attention to working safely. In 2013, two temporary employees suffered injuries in industrial accidents.

Toolbox meetings were held in 2013 regarding working with hazardous substances and the use of personal protective equipment. The meetings also covered the emergency plan and safety during maintenance stops.
Issues requiring attention in 2014 are managing change of behaviour by performing safety checks, encouraging staff to report unsafe situations, reducing the number of injuries, and improving order and tidiness.

Crown Van Gelder staff tends to remain with us for a long time. In 2013, 18 employees celebrated their 25th anniversary with the company, and 5 celebrated their 40th anniversary with the company.

For several years, Crown Van Gelder's motto has been 'Paper mill = learning factory', and has striven to educate its staff. This increases the quality of work and satisfaction with the jobs employees hold, and ensures long-term employability. Our customised competency-oriented training for production employees has been approved by national certification firm Vapro (Vapro A/mbo 2 and Vapro B/mbo 3). The training programmes strongly emphasise training on the job. In December 2013, Crown Van Gelder and four other companies in the region signed the Engineering & Materials Campus manifest.

In 2013 more than 60% of our staff took a training or course, with an average study load of approximately 100 hours per person. Thirteen Crown Van Gelder employees were awarded nationally accredited degrees in 2013.

Employee benefits

On 19 November 2013, the company and labour unions entered into a new collective agreement for a one-year term beginning on 1 January 2014. This collective agreement does not contain any provisions for structural salary increases in 2014, but does contain a provision for a one-time profit-linked distribution for 2014.

Employee participation

Employee participation is an important element of our CSR policy and creates commitment of the employees to the company. Reaching detailed agreements with the three trade unions is key, as is consulting the works council and assigning sufficient importance to topics that arise during departmental meetings. Thirteen applications were handled with the works council, and three meetings were held with the trade unions, amongst others regarding the new collective agreement entering into effect on 1 January 2014. The organisation rate (membership of trade unions FNV, CNV, or Unie) at Crown Van Gelder was 51% in 2013. The trade unions and the works council are closely involved with the overall improvement programme that will be implemented throughout 2014.

Social responsibility

Crown Van Gelder supports War Child Nederland by supplying free paper for their fundraising efforts. On 27 June 2012, Crown Van Gelder and War Child signed a sponsorship contract for another three years.

In 2013, Crown Van Gelder offered six-month work experience placements to eight benefit recipients (within the project 'IJmond Werkt'). Crown Van Gelder also offers opportunities to people with skills deficits to enter the job market.

RISK MANAGEMENT

Sensitivity analysis

Key factors affecting Crown Van Gelder's financial performance include selling prices, production and sales volumes, pulp prices, the EUR/USD exchange rate, and gas prices.

The impact of a 10% increase or decrease in these factors on the company's operating result (based on the 2013 financial statements):

	millions of EUR
Selling prices of paper	15 / (15)
Production and sales volumes	3 / (3)
Pulp prices	(8) / 8
EUR/USD exchange rate	5 / (5)
Gas prices	(2) / 2

Introduction

At Crown Van Gelder, we regard risk management as a systematic and proactive way of identifying and prioritising risks and opportunities. By continually identifying risks which pose a threat to the company's targets, we can take timely action to limit or, indeed, eliminate the impact of those risks. It is equally important to identify opportunities at an early stage and put them to effective use. Risk management also includes reviewing existing controls put in place to minimise the risks identified. These controls are documented in the internal risk management and control system and the QHSE (Quality, Health & Safety, and Environmental) management system.

Doing business inherently involves taking risks. In taking those risks, we are guided by the sustainable nature of our business. Risk management and control are both elements of the company's corporate governance system. This calls for a proper balance between business acumen and risk control.
The objectives and policies of financial risk management and the use of financial instruments are disclosed in note 27 of the financial statements.

Activities in 2013

In 2013 we re-identified and assessed the financial, operational, strategic, compliance and disaster risks affecting all of our major business processes, implementing measures where necessary.

Crown Van Gelder also reviewed the most relevant risk management strategies in 2013. These reviews were conducted during internal audits (16 sessions), client audits (2) external audits (interim audits ISO 9001, ISO 14001, OHSAS 18001, ISO 50001, FSC® and PEFC™), and internal inspections. The internal and external audit and review findings were recorded, reported to and, where necessary, discussed with the Management Board, the Audit Committee and the Supervisory Board.

PwC's auditor's report was discussed with the Management Board, Audit Committee, and Supervisory Board.

For the report on the internal risk management and control statement ('in control statement') reference is made to the corporate governance chapter in this Annual Report (see page 88-95).

Strategic risks

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

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

The paper industry is a global market with strong regional players. We are aware of these market developments and trends, and of our position on the geographical sales markets. Digitisation has become a major market trend affecting the paper industry. Over the last few years, paper has increasingly been replaced by digital applications. This has particularly affected European demand for graphic paper grades, which make up a substantial part of Crown Van Gelder's sales volume. In connection with this, the company will continue to focus strongly on developing and marketing new products to strengthen our position as a niche player, and maintain and improve our market position.

Based on the commercial strategy detailed in 'Focus 2016', and with an eye towards increasing our commercial strength, our commercial department was restructured with effect from 1 January 2013. This will enable Crown Van Gelder to profile itself more prominently and focus more intensively on the profitable niches within the high-speed (digital) inkjet, label and packaging paper markets.

In 2012, in order to bolster Crown Van Gelder's market position over the long term as well, the company actively sought out partnership opportunities with other market players. The study did not lead to any concrete partnership opportunities at the time, but Crown Van Gelder remains open to the possibility of entering into strategic, commercial and/or technological partnerships with other parties. Against the backdrop of improved economic prospects and stronger profiling of Crown Van Gelder as a niche player in the focus areas, the active search for a strategic or financial partner was resumed in early 2014.

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

Operating risks
Commodity prices – pulp and energy prices, in particular – are major cost items. Most of our key non-integrated competitors are facing the same challenges.

Depending on the price of pulp expected in the short term, we may decide to reduce or increase our stocks of pulp. In 2013, in order to mitigate price uncertainty and the upward price risks to some extent, we continued to hedge some of our pulp purchases. We are also actively striving to improve purchasing terms and achieve cost-savings on the use of raw materials.

The company is also exposed to fluctuations in energy prices. Depending on the market and price developments expected by experts, we will determine when the energy prices will have to be fixed for all or part of the contractual term.

Since 2013, we have had to buy approximately half of our CO_2 emission allowances in the market in order to be able to satisfy our obligations under the EU Emissions Trading Scheme. The company will also time its purchase of emission allowances based on experts' market and price expectations.

A breakdown of or problems 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 prevent incidents, Crown Van Gelder has a preventive maintenance programme in place, has implemented a variety of control measures, and has ensured that critical processes and systems are periodically or continuously monitored. To analyse failures and problems, we use a standard method that we have used as a basis for introducing a variety of measures. To minimise the risks, we have signed service contracts with suppliers and implemented back-up and recovery procedures.

Quality complaints could lead to compensation claims or damage the company's reputation. The quality assurance procedures have led to a reduction in the number of complaints in recent years, and they will remain in place so as to improve our performance even further.

Crown Van Gelder is a small player in the European paper industry and its future success depends, in part, on its ability to recruit and retain both specialist technical staff and talented managers in key positions. In 2013, Crown Van Gelder concluded a covenant with the Learn About Tech Careers Foundation (*Stichting Leer Werken in de Techniek*) in order to ensure a better influx of technical staff. Five core competencies have been identified to guide staff management. We have set up an in-house training programme for the paper machine process operators, according to the principles of competency-based education, which will enable them to obtain the nationally recognised Vapro certificate.

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

Were an incident to arise where unsafe practice was found to be taking place, this could potentially result in the interruption of some of our operations for a period of time and the company could incur financial penalties and reputational damage. Were a material environmental incident to occur at the company, this could result in material financial costs and reputational damage that could undermine our commercial position as a provider of environmental solutions. New regulations relating to environmental standards and to climate change and CO_2 emissions can give rise to significant additional costs of compliance.

Financial risks

Crown Van Gelder is exposed to a variety of financial risks. As a consequence of the economic recession, developments on the financial market, and our company results, the availability of financing and capital has become a substantial risk. Based on our current capital base, expected cash flows, and the measures that have already been implemented to improve our sales performance, increase efficiency, and to reduce costs, capital expenditure, and working capital, we believe we have sufficiently addressed our financing risk.

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

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

Compliance risks

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

Crown Van Gelder holds all permits necessary to conduct its operations. We maintain close contact with the competent authorities. Environmental reports and external inspections (environmental and health & safety) have not led to any tightening of permit conditions.

Disaster risks

The company's production facilities and offices are located on the same site. Large-scale events within the organisation, such as fire and explosions, could damage our production facilities and combined heat and power plant and adversely affect our reputation and/or financial performance. The precautionary measures and inspections we have put in place meet the requirements of insurers and are in line with industry standards.

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

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

CORPORATE GOVERNANCE

For information about the Corporate Governance structure, please see page 88-95 of the Annual Report 2013, which is part of this Report of the Management Board.

Velsen, the Netherlands, 20 March 2014

Miklas Dronkers	Henk van der Zwaag
Chief Executive Officer	Chief Financial Officer

FINANCIAL STATEMENTS 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Before profit appropriation)

EUR x 1,000	*Note*	*31 December 2013*		*31 December 2012*	
ASSETS					
Non-current assets					
Property, plant and equipment	(1)	14,312		17,002	
Intangible assets	(2)	407		808	
Investment in associate	(3)	1,229		1,354	
Deferred tax assets	(4)	5,130		5,119	
Other assets	(5)	2,056		2,165	
			23,134		**26,448**
Current assets					
Inventories	(6)	23,055		31,687	
Trade and other receivables	(7)	16,048		13,845	
Cash and cash equivalents	(8)	181		261	
			39,284		**45,793**
Total assets			**62,418**		**72,241**
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Subscribed and paid-up capital	(9,10)	8,712		8,712	
Retained earnings	(10)	39,238		63,498	
Other reserves	(11)	(35)		-	
Result for the year	(10)	(13,047)		(24,260)	
			34,868		**47,950**
Non-controlling interests	(10)		**42**		**43**
Total group equity			**34,910**		**47,993**
Non-current liabilities					
Tax accrual	(12)		2,477		2,901
Current liabilities					
Interest-bearing liabilities	(13)	9,909		5,536	
Trade creditors	(14)	9,399		10,494	
Taxation and social security contributions		431		19	
Derivative financial instruments	(15)	83		-	
Other short-term liabilities	(16)	5,209		5,298	
			25,031		**21,347**
Total liabilities			**27,508**		**24,248**
Total equity and liabilities			**62,418**		**72,241**

CONSOLIDATED INCOME STATEMENT

EUR x 1,000	Note		2013		2012
Revenue	(17)		**158,050**		**166,868**
Costs of transport contracted out		(8,085)		(7,929)	
Raw materials, consumables and energy	(18)	(116,889)		(115,558)	
Change in inventories of finished goods	(19)	(634)		(335)	
Employee benefits costs	(20)	(21,601)		(21,359)	
Depreciation and amortisation	(21)	(4,732)		(6,113)	
Other expenses	(22)	(14,527)		(14,916)	
Total operating expenses			(166,468)		(166,210)
Operating result before impairment			**(8,418)**		**658**
Impairment on Property, plant and equipment	(1)		(5,000)		(20,400)
Operating result after impairment			**(13,418)**		**(19,742)**
Finance income		1		13	
Finance costs		(342)		(171)	
Net finance costs	(28)		(341)		(158)
Share of after tax result of associate			325		380
Result before tax			**(13,434)**		**(19,520)**
Income tax	(23)		422		(4,704)
Result for the year			**(13,012)**		**(24,224)**
Result for the year attributable to:					
Owners of the parent			(13,047)		(24,260)
Non-controlling interests			35		36
Result for the year			**(13,012)**		**(24,224)**
Basic earnings (in EUR) per depository receipt of share	(24)		(3.00)		(5.57)
Diluted earnings (in EUR) per depository receipt of share	(24)		(3.00)		(5.57)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR x 1,000	*Note*		*2013*		*2012*
Result for the year			**(13,012)**		**(24,224)**
Other comprehensive income / (loss)					
Items that may be reclassified subsequently to profit or loss					
Net gains / (losses) on cash flow hedges	(11)	(47)		(264)	
Income tax effect		12		66	
Other comprehensive income / loss for the year, net of tax			**(35)**		**(198)**
Total comprehensive income / (loss) for the year, net of tax			**(13,047)**		**(24,422)**
Total comprehensive income for the year attributable to:					
Owners of the parent			(13,082)		(24,458)
Non-controlling interests			35		36
Total comprehensive income for the year, net of tax			**(13,047)**		**(24,422)**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR x 1,000		2013		2012
Cash flow from Operating activities				
Operating result after impairment on Property, plant and equipment		(13,418)		(19,742)
Adjustments for:				
Impairment on Property, plant and equipment	5,000		20,400	
Depreciation and amortisation	4,732		6,113	
		9,732		26,513
Movements in working capital:				
Trade and other receivables	(2,203)		5,396	
Inventories	8,632		(2,681)	
Trade creditors	(1,095)		309	
Other items	225		(712)	
		5,559		2,312
		1,873		9,083
Interest paid	(287)		(239)	
Interest received	1		13	
Income taxes paid	-		(8)	
		(286)		(234)
Net cash flow from / (used in) operating activities		**1,587**		**8,849**
Cash flow from Investing activities				
Investments in Property, plant and equipment	(6,469)		(4,948)	
Disposals of Property, plant and equipment	15		-	
Dividends received	450		400	
Net cash flow from / (used in) investing activities		**(6,004)**		**(4,548)**
Cash flow from Financing activities				
Dividends paid	(36)		(46)	
Interest-bearing liabilities	4,373		(4,425)	
Net cash flow from / (used in) financing activities		4,337		(4,471)
Increase / (decrease) in cash and cash equivalents		**(80)**		**(170)**
Cash and cash equivalents at 1 January		**261**		**431**
Cash and cash equivalents at 31 December		**181**		**261**

EUR x 1,000	Attributable to Owners of Parent						
	Subscribed and paid-up capital (note 9)	*Retained earnings*	*Other reserves (note 11)*	*Result for the year*	*Total*	*Non-controlling interests*	*Total group equity*
At 1 January 2012	**8,712**	**59,226**	**198**	**4,272**	**72,408**	**53**	**72,461**
Result for the year	-	-	-	(24,260)	(24,260)	36	(24,224)
Other comprehensive income / (loss)	-	-	(198)	-	(198)	-	(198)
Total comprehensive income / (loss)	**-**	**-**	**(198)**	**(24,260)**	**(24,458)**	**36**	**(24,422)**
Result appropriation	-	4,272	-	(4,272)	-	-	-
Dividends non-controlling interests	-	-	-	-	-	(46)	(46)
At 31 December 2012	**8,712**	**63,498**	**-**	**(24,260)**	**47,950**	**43**	**47,993**
At 1 January 2013	**8,712**	**63,498**	**-**	**(24,260)**	**47,950**	**43**	**47,993**
Result for the year	-	-	-	(13,047)	(13,047)	35	(13,012)
Other comprehensive income / (loss)	-	-	(35)	-	(35)	-	(35)
Total comprehensive income / (loss)	**-**	**-**	**(35)**	**(13,047)**	**(13,082)**	**35**	**(13,047)**
Result appropriation	-	(24,260)	-	24,260	-	-	-
Dividends non-controlling interests	-	-	-	-	-	(36)	(36)
At 31 December 2013	**8,712**	**39,238**	**(35)**	**(13,047)**	**34,868**	**42**	**34,910**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

Crown Van Gelder N.V. is a public limited liability company with its registered office in the municipality of Velsen at Eendrachtsstraat 30, 1951 AZ, Velsen, The Netherlands. The company develops, produces and sells high-quality specialty products in the woodfree uncoated and single-coated paper sectors. Crown Van Gelder N.V. operates two paper machines and its product portfolio includes a market leading range of Crown Letsgo high-speed inkjet papers designed to print forms, statements, direct mail, brochures and books (in colour). Paper products suited as packaging materials for use in combination with foodstuffs, and a product portfolio for customised solutions for self-adhesive labels and base paper grades that are coated, metallised or provided with polyethylene (PE) coating. Crown Van Gelder N.V. is listed at the Official Market of NYSE Euronext Amsterdam N.V. (ISIN number: NL0000345452). The Chamber of Commerce registration number of the company is 34059938.

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and adopted by the EU. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements on page 33-81 were authorised for issue by the Management Board on 20 March 2014.

BASIS OF PREPARATION

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the paragraph 'critical accounting estimates and assumptions'.

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.

ACCOUNTING POLICIES

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. Intercompany transactions, balances and unrealised gains and losses on transactions between subsidiaries are fully eliminated. Non-controlling interests in group capital and group result are shown separately.

Associates
Associates are 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%

CASH FLOW STATEMENT

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

Foreign currencies

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

Property, plant and equipment

Property, plant and equipment comprise mainly buildings, plant and machinery and other tangible fixed assets and are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Dismantling costs are not included as these are expected not to be of relevant size. Depreciation on assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as follows:

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

Where an item of property, plant and equipment comprises major components having a different useful life, these components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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 derecognition of items of property, plant and equipment are included in the income statement in the year the asset is derecognised.
The residual value, useful life and depreciation calculation of each item of property, plant and equipment is reviewed at each balance sheet date and adjusted as appropriate.

The depreciation expense on Property, plant and equipment is recognised in the income statement in the expense category 'Depreciation and amortisation'.

Intangible assets

Computer software
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 (finite) useful life of these assets. The amortisation expense on intangible assets is recognised in the income statement in the expense category 'Depreciation and amortisation'.

Greenhouse gas emissions
The company receives free emission rights (CO_2 emission allowances) as a result of the European Union Emission Trading Scheme (EU ETS). The rights are received on an annual basis and, in return, the company is required to remit rights equal to its actual emissions. The company has adopted the net liability approach to the emission rights granted. Therefore, a provision is recognised only when actual emissions exceed the emission rights granted. The emission costs are recognised as energy costs (line item 'Raw materials, consumables and energy' in the consolidated income statement). Where emission rights are purchased from other parties, they are recorded at cost. Allowances are initially measured at cost and subsequently measured in accordance with the cost model.

Investment in associate
Associates, including those where the shareholding is 50%, are measured through the equity method. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

The company assesses at the end of each reporting period whether there is objective evidence that the investment in associate requires impairment. The investment in associate is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the date of initial recognition of the investment (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the investment in associate that can be reliably estimated. If the investment in associate qualifies as impaired, it is measured at its impaired value; any write-offs are disclosed in a separate line item of the income statement.

Impairment of non-financial assets
Whenever there is an indication that assets may be impaired, an impairment test is performed. The company qualifies as one cash generating unit and therefore the impairment test is performed on the company as a whole. An impairment loss is recognised for the amount by which 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's assets as a whole.
An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, an estimation is made of the asset's or cash-generating unit's recoverable amount. An impairment loss recognised in prior periods will be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Other assets

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

Inventories

Inventories are stated at the lower of cost and net realisable value using the following approach:

- raw materials: purchase cost on a first-in, first-out basis; purchase costs incurred in bringing each product to its present location and condition;
- 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 receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprises cash at banks and in hand.

Current and Deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that is related to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax relates primarily to 1) future tax payable on temporary differences between the carrying amounts of assets for financial reporting purposes and for corporate income tax purposes and 2) carry forward of unused tax losses. The calculation of deferred income tax is based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilised.

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

Share capital

Share capital consists of ordinary shares and preference shares.

Tax accrual

The tax accrual consists of Dutch income tax facilities regarding environmental / energy investments in tangible fixed assets. In the past a percentage of these investments was deducted from income tax. These deducted amounts are accrued on the balance sheet as long term and will be released to the income statement during the remaining depreciation period of the tangible fixed assets using the straight-line method.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Financial assets

Initial recognition, classification and measurement

Financial assets within the scope of IAS 39 are classified as appropriate as financial assets at fair value through profit or loss, loans and receivables or as derivatives designated as hedging instruments in an effective hedge. Crown Van Gelder's financial assets include cash and cash equivalents, trade and other receivables and derivative financial instruments. The company uses derivative financial instruments such as foreign currency contracts and commodity forward contracts to hedge its risks associated with foreign currency and commodity price fluctuations.

Crown Van Gelder determines the classification of its financial assets at initial recognition. Financial assets are recognised initially at fair value. Purchases or sales of financial assets that require delivery of assets within a time frame are recognised on the trade date, i.e. the date that Crown Van Gelder commits to purchase or sell the asset.

Subsequent measurement of loans and receivables

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

Derecognition of financial assets

A financial asset is derecognised when:

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

Financial liabilities

Initial recognition, classification and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Crown Van Gelder's financial liabilities include trade and other payables, bank overdraft, loans and borrowings and derivative financial instruments. Crown Van Gelder determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value.

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

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

Financial instruments

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

Fair value of financial instruments
The fair value of financial instruments, which are actively traded in organised financial markets, is determined by reference to quoted market prices. For financial instruments not traded in an active market, the fair value is determined using quotes from external parties.

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

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

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

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

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

NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Employee benefits
The pension plan of the company characterises as a Collective Defined Contribution (CDC) plan. Under this pension plan the company pays fixed contributions to a privately administered pension insurance plan (by a third party called De Eendragt Pensioen N.V.) on a contractual basis. The company has no legal or constructive obligation to pay further contributions if the third party does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Revenue recognition
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 bonuses and payment discounts. Sales are recognised when the company has delivered products within the agreed delivery terms and there is no unfulfilled obligation that could affect the customer acceptance of the products.
Revenue of paper sales is revenue from selling high-quality speciality 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. Energy sales are recognised upon supply to the regional grid.

Costs of transport contracted out
Costs of transport contracted out 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 on a first-in, first-out basis.

Operating lease
Payments made under operating leases (mainly company cars, internal transport vehicles, printers and copiers) are recognised, on straight line basis, in the income statement under line item 'other expenses'.

Borrowing costs

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

Finance income and expenses

Finance income and expenses mainly consist of interest expenses relating to interest-bearing liabilities.

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.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Judgements and assumptions were made concerning mainly the following items:

Property, plant and equipment

When triggering events occur, the company tests whether Property, plant and equipment have suffered impairment, in accordance with the accounting policies. The recoverable amount of the cash-generating unit has been determined based on value-in-use calculations. These calculations require the use of estimates (note 1).

Deferred tax assets

Deferred tax assets are recognised to the extent that they are expected to be realised. At balance sheet date the company reviewed the expected realisation of the deferred tax assets based on internal calculations and forecasts. These calculations require the use of estimates (note 4).

SEGMENT INFORMATION

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

NEW ACCOUNTING STANDARDS

On a regular basis, the IASB issues new accounting standards, amendments and interpretations. In the financial year 2013, the following changes, subdivided into effective and not yet effective, have been reviewed and, if found applicable, have led to consequential changes to the accounting policies and other note disclosures:

New and amended standards adopted by the company

The following standards have been adopted by the company for the first time for the financial year beginning on 1 January 2013:

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). We refer to the consolidated statement of comprehensive income.

Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. We refer to note 27.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. We refer to note 27.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the company, except the following set out below:

Amendment to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. The amendment is not mandatory until 1 January 2014. The amendment effects presentation only and have no impact on the company's financial position or performance.

Amendment to IAS 32, 'Financial instruments: Presentation, on assets and liability offsetting'. These amendments are to the application guidance in IAS 32 and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The company does not expect any impact on its financial position or performance.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The company is yet to assess IFRS 9's full impact. The company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

IFRS 10, 'Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. Under EU-IFRS, as applied by the company, IFRS 10 requires adoption for accounting periods beginning on or after 1 January 2014. The company does not expect any impact on its financial position or performance.

IFRS 11, 'Joint arrangements', is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint venturer has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. Under EU-IRFS, as applied by the company, IFRS 11 requires adoption for accounting periods beginning on or after 1 January 2014. IFRS 11 will have no impact on the company's financial position or performance.

IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The standard will affect disclosure only and will have no impact on the company's financial position or performance. The company will adopt IFRS 12 no later than the accounting period beginning on 1 January 2014 as required by EU-IFRS.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011). As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The company does not expect any impact on its financial position or performance from the amendment of this standard. Under EU-IFRS the amendment becomes effective for annual periods beginning on or after 1 January 2014.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what is the obligation event that gives rise to pay a levy and when should a liability be recognised. The company is currently not subjected to significant levies so the impact is not material. IFRIC 21 requires adoption for accounting periods beginning on or after 1 January 2014

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

PROPERTY, PLANT AND EQUIPMENT (1)

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

EUR x 1,000	*Land and buildings*	*Plant and machinery*	*Other tangible fixed assets*	*Tangible fixed assets under construction*	*Total*
Costs					
At 1 January 2012	22,221	185,398	1,840	3,430	212,889
Additions	-	-	-	4,948	4,948
Transfers	203	4,077	18	(4,298)	-
Disposals	(55)	(2,825)	(128)	-	(3,008)
At 31 December 2012	**22,369**	**186,650**	**1,730**	**4,080**	**214,829**
Depreciation					
At 1 January 2012	18,140	155,074	1,561	-	174,775
Disposals	(55)	(2,825)	(127)	-	(3,007)
Depreciation for the year	517	5,041	101	-	5,659
Impairment	2,018	18,271	111	-	20,400
At 31 December 2012	**20,620**	**175,561**	**1,646**	**-**	**197,827**
Book value at 1 January 2012	**4,081**	**30,324**	**279**	**3,430**	**38,114**
At 31 December 2012	**1,749**	**11,089**	**84**	**4,080**	**17,002**
Costs					
At 1 January 2013	22,369	186,650	1,730	4,080	214,829
Additions	-	-	-	6,656	6,656
Transfers	219	10,095	2	(10,316)	-
Disposals	(38)	(6,244)	(22)	-	(6,304)
At 31 December 2013	**22,550**	**190,501**	**1,710**	**420**	**215,181**
Depreciation					
At 1 January 2013	20,620	175,561	1,646	-	197,827
Disposals	(38)	(6,244)	(22)	-	(6,304)
Depreciation for the year	224	4,098	24	-	4,346
Impairment	342	4,645	13	-	5,000
At 31 December 2013	**21,148**	**178,060**	**1,661**	**-**	**200,869**
Book value at 1 January 2013	**1,749**	**11,089**	**84**	**4,080**	**17,002**
At 31 December 2013	**1,402**	**12,441**	**49**	**420**	**14,312**

In 2013 the company recognised an impairment charge of EUR 5 million. The events and circumstances that led to the recognition of the impairment charge were the prolonged below-target return on capital employed.

The general economic developments have a strong impact on the European paper industry, which is still dominated by overcapacity and strong competition. At the same time, Crown Van Gelder is confronted with continuing high raw material costs and energy prices. In these unfavourable market conditions it is extremely difficult to fully pass on raw material and energy cost increases to our customers.

As in previous years, in 2013 an impairment review was performed since the carrying amount of the net assets was higher than the market capitalisation of the entity (IAS 36.12.d). The recoverable amount is based on the value in use since this is higher than the fair value less costs to sell and is assessed by Crown Van Gelder N.V. as one cash generating unit. The projected time period of future expected cash flows is from 2014 until 2022.

The company has based its cash flow projections on its business plans (among others the approved budget for 2014 and the company's strategic 'Focus 2016', which includes growth targets in value added products). Budget and longer term forecasts are among others based on reports from strategic consultancy and market research agencies regarding the general economic outlook, developments within the European paper industry, especially within the woodfree uncoated sector, and the pulp and energy market outlook. Furthermore, as in previous years, in its analysis and calculations management has used the expertise of an external valuator.

The company has made a base case scenario, based on the targets and forecasts derived among others from the 2014 budget and 'Focus 2016'. Given the uncertainties currently prevailing in various markets that are relevant to the results and cash flow developments of Crown Van Gelder, management considered it prudent to make an alternative low case scenario for the purpose of the impairment test as well.

Main drivers in the cash flow projections (which are also outlined in the risk management paragraph of the Annual Report) to which the entity's recoverable amount is most sensitive are: (i) long term developments of the pulp prices, (ii) gas prices, (iii) selling prices, (iv) production and sales volumes, (v) the WACC, and (vi) EBITDA per ton. Future expected cash flows were discounted at a pre-tax rate of 11.3% (prior year 10.6%). The discount rate represents the current market assessment of the risk specific to Crown Van Gelder N.V., and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The beta factors are evaluated annually based on publicly available market data. In determination of the recoverable amount the pulp price is considered to be the most relevant and volatile factor.

The cash flow value driver sensitivities, their impact on the recoverable amount in the 2013 impairment test and the corresponding impairment amount (in EUR) are as follows:

Value driver	*Change in value driver*	*Increase in value driver*	*Decrease in value driver*
WACC	50 bps	(2.8) million	3.3 million
Pulp price	1.0%	(8.8) million	8.8 million
Gas price	5.0%	(11.3) million	11.3 million
Paper selling price	0.5%	7.6 million	(7.6) million
Sales volume	2.0%	8.3 million	(8.3) million
EBITDA	EUR 5 / ton	11.2 million	(11.2) million

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Cash flow value driver developments are no isolated events and in practice cash flow drivers could also (partly) offset or reinforce each other.

The amount of capitalised borrowing costs during the year ended 31 December 2013 was nil (2012: nil).

None of the items of 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 useful lives of the assets used for the purpose of depreciation calculations. The outcome did not result in an adjustment. The depreciation of the property, plant and equipment is included in line item 'Depreciation and amortisation' in the consolidated income statement.

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

INTANGIBLE ASSETS (2)

Movements in the value of intangible assets were as follows:

EUR x 1,000	*Software*	*Software under construction*	*Total*
Costs			
At 1 January 2012	2,554	26	2,580
Additions (acquired)	-	-	-
Transfers	26	(26)	-
At 31 December 2012	**2,580**	**-**	**2,580**
Amortisation			
At 1 January 2012	1,318	-	1,318
Amortisation for the year	454	-	454
At 31 December 2012	**1,772**	**-**	**1,772**
Book value			
At 1 January 2012	**1,236**	**26**	**1,262**
At 31 December 2012	**808**	**-**	**808**
Costs			
At 1 January 2013	2,580	-	2,580
Additions (acquired)	-	-	-
At 31 December 2013	**2,580**	**-**	**2,580**
Amortisation			
At 1 January 2013	1,772	-	1,772
Amortisation for the year	401	-	401
At 31 December 2013	**2,173**	**-**	**2,173**
Book value			
At 1 January 2013	**808**	**-**	**808**
At 31 December 2013	**407**	**-**	**407**

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

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

INVESTMENT IN ASSOCIATE (3)

Movements in the investment in associate can be detailed as follows:

EUR x 1,000	*2013*	*2012*
At 1 January	1,354	1,375
Share of result	325	379
Dividends received	(450)	(400)
At 31 December	**1,229**	**1,354**

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 its summarised financial information:

EUR x 1,000	*Assets*	*Liabilities*	*Revenue*	*Profit/(loss)*	*% Interest held*
2013					
International Forwarding Office B.V.	3,458	1,189	1,936	540	50
2012					
International Forwarding Office B.V.	4,385	1,755	2,507	931	50

DEFERRED TAX ASSETS (4)

The deferred tax assets relate to the following:

EUR x 1,000		*2013*		*2012*
Deferred tax assets				
Property, plant and equipment	3,119		2,729	
Derivative in effective hedge	12		-	
		3,131		2,729
Tax losses available for offset against future taxable profits		1,999		2,390
At 31 December		**5,130**		**5,119**

As at 31 December 2013 the company has tax losses of EUR 36.7 million. EUR 1.2 million of this amount is available for carryforward until 2017, EUR 28.3 million is available for carryforward until 2019, the remaining amount of EUR 7.2 million is available for carryforward until 2022.

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable. Based on internal calculations with respect to expected taxable profits in the next years (until the years the available tax losses will expire) the company recognised an amount of EUR 2.0 million related to tax losses carryforward on the balance sheet. Due to lower expected future taxable profits at the end of 2013 and related expected expiration of carryforward tax losses in the future no deferred tax asset is recognised for EUR 28.7 million of the EUR 36.7 million available tax losses.

The aforementioned internal calculations are the same calculations as used in the impairment review mentioned in note 1. If expected taxable profits would adversely deviate by 10% from the current internal calculations, this would not result in an additional impairment on the deferred tax asset.

As at 31 December 2012 the company has tax losses of EUR 29.5 million. EUR 1.2 million of this amount is available for carryforward until 2017, the remaining amount of EUR 28.3 million is available for carryforward until 2019. Based on internal calculations with respect to expected taxable profits in the years after balance sheet date (until the years the available tax losses will expire) the company recognised an amount of EUR 2.4 million related to tax losses carryforward on the balance sheet. Due to lower expected future taxable profits at the end of 2012 and related expected expiration of carryforward tax losses in 2019, the company impaired EUR 5.0 million of the deferred tax asset related to these losses ('losses available for offset against future taxable income'). As a result, as at year-end 2012, no deferred tax asset is recognised for EUR 20.0 million of the EUR 29.5 million tax losses.

Deferred tax assets have been valued at expected future tax-rates (25.0% for 2012 and 2013) and are estimated to be primarily longer than one year.

The movement in deferred tax assets during the year is as follows:

EUR x 1,000	*Property, plant and equipment*	*Inventories*	*Derivatives*	*Pensions*	*Tax losses*	*Total*
At 1 January 2012	**1,458**	**(360)**	**(66)**	**(12)**	**9,152**	**10,172**
(Charged)/credited to income statement	1,271	360	-	12	(6,762)	(5,119)
(Charged)/credited to other comprehensive income	-	-	66	-	-	66
At 31 December 2012	**2,729**	**-**	**-**	**-**	**2,390**	**5,119**
(Charged)/credited to income statement	390	-	-	-	(390)	-
(Charged)/credited to other comprehensive income	-	-	12	-	-	12
At 31 December 2013	**3,119**	**-**	**12**	**-**	**1,999**	**5,130**

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

EUR x 1,000	*2013*	*2012*
Movements charged or credited directly to other comprehensive income		
Cash flow hedging	12	66
Total	**12**	**66**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OTHER ASSETS (5)

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

Movements in the other assets can be detailed as follows:

EUR x 1,000	*2013*	*2012*
At 1 January	2,165	2,274
Allocated to the income statement	(109)	(109)
At 31 December	**2,056**	**2,165**

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

INVENTORIES (6)

Inventories can be detailed as follows:

EUR x 1,000	*2013*	*2012*
Raw materials	7,128	14,828
Other materials	5,040	5,338
Finished goods	10,887	11,521
At 31 December	**23,055**	**31,687**

TRADE AND OTHER RECEIVABLES (7)

Trade and other receivables can be detailed as follows:

EUR x 1,000	*2013*	*2012*
Trade receivables	15,249	13,170
Other receivables	513	317
Accrued income and prepayments	286	358
At 31 December	**16,048**	**13,845**

TRADE RECEIVABLES

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

As at 31 December 2013, trade receivables at nominal value of EUR 600 (2012: EUR 431) were impaired and fully provided for. The carrying amounts of the trade receivables are denominated in the following currencies:

EUR x 1,000	*2013*	*2012*
EUR	13,381	12,025
GBP	1,121	1,074
USD	938	66
Other currencies	68	94

The carrying amounts of trade receivables, excluding the provision, for impairment best represent the maximum exposure to credit risk.

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

EUR x 1,000	*2013*	*2012*
At 1 January	431	494
Charge for the year	301	177
Utilised	-	-
Unused amounts reversed	(132)	(240)
At 31 December	**600**	**431**

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

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

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

EUR x 1,000	*Total*	*Neither past due nor impaired*	*<30 days*	*30-60 days*	*60-90 days*	*90-120 days*	*>120 days*
2013	**15,249**	12,206	2,860	128	41	14	-
2012	**13,170**	11,802	1,368	-	-	-	-

The amounts of trade receivables shown above are mainly to receive from customers with which the company has long lasting relationships and who have a history of timely payment.

OTHER RECEIVABLES

The other receivables consists among others of EUR 0.1 million regarding CO_2 allowances. For the year 2013, Crown Van Gelder was allocated 63.824 CO_2 allowances (2012: 147,933 CO_2 allowances). In 2013 total CO_2 emissions of Crown Van Gelder amounted to around 142,000 ton (2012: 142,000 ton). Purchased and unused CO_2 allowances were approximately 20,900 ton CO_2 allowances amounting to EUR 0.1 million at 31 December 2013.

CASH AND CASH EQUIVALENTS (8)

Cash and cash equivalents can be detailed as follows:

EUR x 1,000	*2013*	*2012*
Cash at bank and in hand	181	261
At 31 December	**181**	**261**

Cash at bank earns interest at floating rates based on daily bank deposit and the daily interest rate. There were no deposits during the financial year and all cash and cash equivalents are payable on demand.

The carrying amount of cash and cash equivalents represents the maximum exposure to credit risk.

SUBSCRIBED AND PAID-UP CAPITAL (9)

The authorised capital can be detailed as follows:

Number of shares (thousands)	*2013*	*2012*
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

Number of shares (thousands)	*2013*	*2012*
Ordinary shares	871.2	871.2
Preference shares	-	-
At 31 December	**871.2**	**871.2**

The ratio between ordinary shares and depository receipts (as mentioned in the earnings per share note 24) is 1:5.

EQUITY (10)

EUR x 1,000	*Attributable to Owners of Parent*						
	Subscribed and paid-up capital (note 9)	*Retained earnings*	*Other reserves (note 11)*	*Result for the year*	*Total*	*Non-controlling interests*	*Total group equity*
At 1 January 2012	**8,712**	**59,226**	**198**	**4,272**	**72,408**	**53**	**72,461**
Result for the year	-	-	-	(24,260)	(24,260)	36	(24,224)
Other comprehensive income / (loss)	-	-	(198)	-	(198)	-	(198)
Total comprehensive Income / (loss)	**-**	**-**	**(198)**	**(24,260)**	**(24,458)**	**36**	**(24,422)**
Result appropriation	-	4,272	-	(4,272)	-	-	-
Dividends non-controlling interests	-	-	-	-	-	(46)	(46)
At 31 December 2012	**8,712**	**63,498**	**-**	**(24,260)**	**47,950**	**43**	**47,993**
Result for the year	-	-	-	(13,047)	(13,047)	35	(13,012)
Other comprehensive income / (loss)	-	-	(35)	-	(35)	-	(35)
Total comprehensive Income / (loss)	**-**	**-**	**(35)**	**(13,047)**	**(13,082)**	**35**	**(13,047)**
Result appropriation	-	(24,260)	-	24,260	-	-	-
Dividends non-controlling interests	-	-	-	-	-	(36)	(36)
At 31 December 2013	**8,712**	**39,238**	**(35)**	**(13,047)**	**34,868**	**42**	**34,910**

OTHER RESERVES (11)

EUR x 1,000	*Cash flow hedge reserve*
At 1 January 2012	**198**
Movements in 2012	
Net gains / (losses) on cash flow hedges	
Charge for the year	(264)
Income tax effect	66
At 31 December 2012	-
Movements in 2013	
Net gains on cash flow hedges	
Charge for the year	(47)
Income tax effect	12
At 31 December 2013	**(35)**

Nature and purpose of the other reserves

Cash flow hedge reserve
The cash flow hedge reserve at the beginning and the end of 2012 and the end of 2013 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 at balance sheet date. Reference is made to note 27.

TAX ACCRUAL (12)

The tax accrual relates to the following:

EUR x 1,000	*2013*	*2012*
EIA tax allowance	2,477	2,901
At 31 December	**2,477**	**2,901**

The tax accrual at 31 December 2013 comprises an amount of EUR 2.5 million for the EIA tax allowance. EUR 0.4 million of this amount can be classified as short-term. The EIA tax allowance is classified as a tax accrual which means that the allowance reduces the tax-rate. This amount will be released to the income statement during the expected useful life of the assets involved.

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

EUR x 1,000	*2013*	*2012*
EIA tax allowance	422	423
Total	**422**	**423**

INTEREST-BEARING LIABILITIES (13)

At balance sheet date the company has credit facilities at its disposal up to EUR 35 million. These credit facilities are secured by inventories (pulp and finished goods; note 6) and accounts receivables (note 7). The interest concerning the facilities consists of a basic interest rate (EURIBOR), plus an average mark-up of approximately 2%.

At the end of 2013 an amount of EUR 9.9 million of these credit facilities was used.

As per 13 February 2014 the company entered into a new financing arrangement. The credit facility has been replaced by a factoring arrangement. Under the factoring agreement an amount up to EUR 20 million can be utilised against an interest rate of 1 month Euribor plus 265 bps. The arrangement contains terms and conditions and a collateral package (including security over trade receivables, finished goods inventory and pulp inventory) customary for these type of contracts. Capital expenditure and working capital requirements can be fully financed through the new credit lines.

TRADE CREDITORS (14)

Trade creditors are non-interest-bearing and normally settled within a maximum of 45 days.

DERIVATIVE FINANCIAL INSTRUMENTS (15)

		2013		*2012*
	Assets	*Liabilities*	*Assets*	*Liabilities*
Commodity contracts – cash flow hedges	-	47	-	-
Forward foreign exchange contracts – fair value through profit or loss	-	36	-	-
Total	**-**	**83**	**-**	**-**

At 31 December 2013, the company held one commodity contract (2012: none) and ten forward exchange contracts (2012: three). Reference is made to note 27.

OTHER SHORT-TERM LIABILITIES (16)

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

NOTES TO THE CONSOLIDATED INCOME STATEMENT

REVENUE (17)

Revenue can be detailed as follows:

EUR x 1,000	*2013*	*2012*
Revenue of paper sales	154,185	162,869
Supply of energy	3,865	3,999
Total	**158,050**	**166,868**

The geographical distribution of paper sales and revenue in 2013 and 2012 were as follows:

In %	*Sales of paper*		*Total revenue*	
	2013	*2012*	*2013*	*2012*
Benelux	23	23	27	27
Germany	22	21	21	20
United Kingdom	12	9	12	10
France	13	14	14	15
Italy	8	6	8	6
Other European countries	7	9	7	9
Other countries	15	18	11	13
Total	**100**	**100**	**100**	**100**

COSTS OF RAW MATERIALS, CONSUMABLES AND ENERGY (18)

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

EUR x 1,000	*2013*	*2012*
Raw materials and consumables	92,046	94,326
Water	488	500
Packaging	2,302	2,288
Energy	22,053	18,444
Total	**116,889**	**115,558**

CHANGE IN INVENTORIES OF FINISHED GOODS (19)

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

EUR x 1,000	*2013*	*2012*
Finished goods at 1 January	11,521	11,856
Finished goods at 31 December	10,887	11,521
Total	**(634)**	**(335)**

EMPLOYEE BENEFITS COSTS (20)

The employee benefits costs can be detailed as follows:

EUR x 1,000	*2013*	*2012*
Wages and salaries	15,008	15,135
Social security contributions	2,045	2,024
Other staff costs	2,537	2,350
Pension expense	2,011	1,850
Total	**21,601**	**21,359**

The average number of employees in 2013 was 286 (2012: 282).

DEPRECIATION AND AMORTISATION (21)

The depreciation and amortisation can be detailed as follows:

EUR x 1,000	*2013*	*2012*
Depreciation property, plant and equipment	4,331	5,659
Amortisation intangible assets	401	454
Total	**4,732**	**6,113**

OTHER EXPENSES (22)

Other expenses can be detailed as follows:

EUR x 1,000	*2013*	*2012*
Maintenance costs	6,232	6,699
Machinery related expenses	2,003	2,156
Warehouse and rental expenses	884	816
Leasing expenses	327	339
Other operating expenses	5,081	4,906
Total	**14,527**	**14,916**

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		*2013*		*2012*
Current tax				
Current year tax (income) / expense	-		-	
		-		-
Movements in deferred tax				
Carry forward tax losses	390		1,762	
Inventories	-		(360)	
Tangible assets	(390)		(1,271)	
Impairment of carryforward tax losses	-		5,000	
Adjustments in respect to prior years	-		(4)	
		-		5,127
EIA tax allowance		(422)		(423)
Total		**(422)**		**4,704**

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

In % and EUR x 1,000		*2013*		*2012*
Result on ordinary activities before taxation		(13,438)		(19,520)
Less share of result of associate		(325)		(380)
Accounting result before tax		(13,763)		(19,900)
	In %		*In %*	
Statutory income tax-rate	25.0	(3,441)	25.0	(4,975)
Non-deductible expenses for tax purposes	-	8	-	9
Reduction through tax allowances	3.1	(422)	2.1	(423)
Prior year adjustments	-	-	-	(7)
Non-recognition of DTA on current year tax losses	(25.0)	3,433	(25.6)	5,100
Impairment of DTA related to prior year tax losses	-	-	(25.1)	5,000
Total effective tax-rate	**3.1**	**(422)**	**(23.6)**	**4,704**

EARNINGS PER DEPOSITORY RECEIPT OF SHARE (24)

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

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

	2013	*2012*
Result for the year attributable to owners of the parent (EUR x 1,000)	(13,047)	(24,260)
Dividends distributed to owners (EUR x 1,000)	-	-
Weighted average number of depository receipts of shares (thousands)	4,356	4,356
Basic earnings per depository receipt of share (EUR)	(3.00)	(5.57)
Diluted earnings per depository receipt of share (EUR)	(3.00)	(5.57)
Dividends distributed to owners per depository receipt of share (EUR)	-	-

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

COMMITMENTS AND CONTINGENCIES (25)

Leasing

In 1982 the company entered into a 50-year lease contract relating to the site and existing buildings with the Municipality of Velsen. Reference is made to note 5.

Further, the company 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	*2013*	*2012*
Within one year	500	378
Between one and five years	1,241	818
Longer than five years	82	-
Total	**1,823**	**1,196**

Capital expenditure commitments

At 31 December 2013, Crown Van Gelder had commitments amounting to EUR 0.5 million (2012: 4.7 million).

Guarantees

There were no bank guarantees issued at the balance sheet date (2012: nil).

Declaration of liability

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

Forward transactions

Reference is made to note 27.

Fiscal unity

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

RELATED PARTY TRANSACTIONS (26)

Related parties

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

Crown Van Gelder N.V. pays IFO on a commission fee per ton basis. The following table provides the total amount of transactions, which have been entered into with related parties:

EUR x 1,000	*2013*	*2012*
Outstanding balances as per year-end	367	328
Commission fees during the year	176	180

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

Transactions with other related parties

The remuneration of the statutory directors (key management personnel) is set out in the table below.

EUR x 1,000	*2013*	*2012*
Miklas Dronkers, Chief Executive Officer		
Fixed remuneration	205	185
Variable remuneration	12	33
Pension costs	35	39
Fixed expense allowance	4	4
Total	**256**	**261**

EUR x 1,000	*2013*
Henk van der Zwaag, Chief Financial Officer, appointed as per 1 June 2013	
Fixed remuneration	93
Variable remuneration	7
Pension costs	17
Fixed expense allowance	2
Total	**119**

A variable reward system is in force for the remuneration of the statutory directors, in which the variable remuneration is limited to 45% of the fixed yearly income. This variable income depends on the company's performance with respect to shareholders' equity and the extent to which certain specific objectives have been realised, and is determined at the discretion of the Supervisory Board. The Supervisory Board has reviewed the performance of the Management Board on specific targets.

Crown Van Gelder provides a competitive package of fringe benefits for its Management Board, in line with those applicable to other employees. These include items as accident insurance, a lease car, directors' and officers' liability insurance. No stock options have been offered to or are owned by the Management Board. There are no loans outstanding to the Management Board and no guarantees were given on behalf of the Management Board.

The crisis tax of 16% (applicable for 2012 and 2013) for the statutory directors amounts to EUR 10,800 (2012: EUR 5,600).

Scenario analysis
The scenario below provides an overview of the remuneration policy, which assigns a low score for the achievement of variable remuneration targets (15%), an average score for the achievement of variable remuneration targets (30%) and a maximum score for the achievement of variable remuneration targets (45%).

Remuneration CEO

Score for targets in 2013 (EUR)	*Fixed*	*Variable*	*Total*
Low	205.000	30.750 (15%)	235.750
Average	205.000	61.500 (30%)	266.500
High	205.000	92.250 (45%)	297.250

Remuneration CFO

Score for target in 2013 (EUR)	*Fixed*	*Variable*	*Total*
Low	160.000	24.000 (15%)	184.000
Average	160.000	48.000 (30%)	208.000
High	160.000	72.000 (45%)	232.000

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

EUR x 1,000	*2013*	*2012*
Jacques van den Hoven, Chairman as per 16 May 2013	29	11
Berry Bemelmans, Chairman until 16 May 2013	15	29
Emile Bakker	22	22
Henk van Houtum	22	11
Theo Philippa, Member audit committee	22	22
Klaas Schaafsma, until 16 May 2013	-	22
Han Wagter, Chairman audit committee	25	25
Total	**135**	**142**

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

FINANCIAL RISK MANAGEMENT (27)

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 and commodity contracts as derivative financial instruments. The purpose is to manage the currency and pulp price risks arising from Crown Van Gelder's operations. 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 2013, ten forward exchange contracts and one commodity forward contracts were outstanding (2012: three contracts respectively none contract).

Capital management

Crown Van Gelder manages its capital to ensure sufficient working capital to finance its daily activities. This is accomplished by short term interest-bearing liabilities and supplier credit.

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 forward contracts in USD and GBP are used in order to hedge short-term currency risks relating to cash, accounts receivable and payable. For further disclosure on these derivatives through profit and loss, reference is made to paragraph 'Hedging activities'. The fair value of forward exchange contracts is their market price at balance sheet date.

The following table demonstrates the sensitivity of the current exposure on balance sheet date to a reasonably possible change in the USD and GBP rate, with all other variables held constant, of the company's result before tax.

EUR x 1,000	*2013*	*2012*
Impact of currency changes on result before tax		
Increase / (decrease) in USD rate		
-5%	27	(6)
5%	(27)	6
Increase / (decrease) in GBP rate		
-5%	(97)	(67)
5%	97	67

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

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

Interest rate risk

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

EUR x 1,000	*2013*	*2012*
Average outstanding balance	11,167	6,504
Finance costs	342	171
Average interest rate %	3.06%	2.63%
Increase / (decrease) in base points		
(50)	56	33
(25)	28	16
25	(28)	(16)
50	(56)	(33)

Fair value

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

EUR x 1,000	*Book value*	*Fair value*
At 31 December 2013		
Financial assets		
Trade and other receivables	16,048	16,048
Cash and cash equivalents	181	181
Financial liabilities		
Bank overdrafts	9,909	9,909
Trade and other payables	15,039	15,039
Derivative financial instruments	83	83

EUR x 1,000	*Book value*	*Fair value*
At 31 December 2012		
Financial assets		
Trade and other receivables	13,845	13,845
Cash and cash equivalents	261	261
Financial liabilities		
Bank overdrafts	5,536	5,536
Trade and other payables	15,811	15,811

In disclosing fair values, financial assets and liabilities are grouped into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. At Crown Van Gelder, these classes do not differ from the presentation as currently recorded on the statement of financial position.
The risk of a change in fair value, due to fluctuations in interest rate, of future cash flows relating to financial instruments, can be quantified with a sensitivity analysis. This signifies how the fair value of financial assets and liabilities is impacted due to a reasonable to be expected change in interest rate. The company has performed a sensitivity analysis and concluded that reasonable changes in interest rate do not significantly affect the fair value of any of the financial assets or liabilities.

Hedging activities

Cash flow hedges
At 31 December 2013, the company held one commodity forward contract (2012: none).

The commodity contract entails to financially hedge an amount of 12,000 ton of pulp at a certain price, with start date of February 2013 and an expiration date of January 2014. The costs to enter this commodity forward contract was nil. Its fair value is based on a quote by a renowned third party. The commodity forward contract was initially recognised as a cash flow hedge. By subsequent testing for effectiveness it was concluded to be an effective cash flow hedge. The calculated amount is recorded in 'Derivate financial instruments'.

At 31 December 2013 the company held ten forward exchange contracts.

Forward exchange contracts	*Exchange rate*	*Expiration date*	*Fair value EUR x 1,000*
Sell			
GBP 250,000	EUR/GBP 0.8339	3 January 2014	(1)
GBP 250,000	EUR/GBP 0.8339	10 January 2014	(1)
GBP 250,000	EUR/GBP 0.8303	17 January 2014	1
GBP 250,000	EUR/GBP 0.8304	24 January 2014	1
GBP 250,000	EUR/GBP 0.8306	31 January 2014	1
GBP 250,000	EUR/GBP 0.8450	7 February 2014	(5)
GBP 250,000	EUR/GBP 0.8451	14 February 2014	(5)
Buy			
USD 2,000,000	EUR/USD 1.3601	10 January 2014	(18)
USD 2,000,000	EUR/USD 1.3703	10 January 2014	(7)
USD 2,000,000	EUR/USD 1.3751	7 February 2014	(2)

At 31 December 2012 the company held three forward exchange contracts.

Forward exchange contracts	*Exchange rate*	*Expiration date*	*Fair value EUR x 1,000*
Sell			
GBP 250,000	EUR/GBP 0.8182	11 January 2013	(1)
GBP 250,000	EUR/GBP 0.8184	25 January 2013	(1)
Buy			
USD 1,500,000	EUR/USD 1.3292	8 February 2013	10

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

EUR x 1,000	*2013*	*2012*
Financial assets at fair value through profit and loss	169	148
Financial liabilities at fair value through profit and loss	-	-
Total	**169**	**148**

This has been recognised in the income statement in the line 'Raw materials, consumables and energy'.

As at 31 December 2013, Crown Van Gelder held the following financial instruments measured at fair value:

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

EUR x 1,000	*31 Dec 2013*	*Level 1*	*Level 2*	*Level 3*
Derivative in effective hedge				
Commodity forward contract	47	-	47	-
Financial assets / (liabilities) at fair value through profit or loss				
Foreign exchange contracts – non-hedged	36	-	36	-
Total	**83**	**-**	**83**	**-**

During the reporting period ending 31 December 2013, there where no transfers between the levels of fair value measurements.

EUR x 1,000	*31 Dec 2012*	*Level 1*	*Level 2*	*Level 3*
Financial assets / (liabilities) at fair value through profit or loss				
Foreign exchange contracts – non-hedged	8	-	8	-

During the reporting period ending 31 December 2012, there where no transfers between the levels of fair value measurements.

Fair value hierarchy

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Reconciliation of fair value measurements of Level 2 financial instruments

Crown Van Gelder N.V. carries a commodity forward contract classified as Level 2 within the fair value hierarchy.
A reconciliation of the beginning to the closing balances disclosing movements separately is disclosed hereafter:

EUR x 1,000	*2013*	*2012*
At 1 January	47	265
Total gains / (losses) in other comprehensive income	(47)	(265)
At 31 December	-	-

Offsetting financial assets and financial liabilities

At 31 December 2013 no financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements. The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements as at 31 December 2012:

EUR x 1,000	*Trade and other receivables*
Gross amounts of recognised financial assets	14,790
Gross amounts of recognised financial liabilities set off in the balance sheet	(945)
Net amounts of financial assets presented in the balance sheet	13,845

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements at 31 December 2013:

EUR x 1,000	*Interest-bearing liabilities*	*Taxes and social security contributions*
Gross amounts of recognised financial liabilities	11,752	456
Gross amounts of recognised financial assets set off in the balance sheet	(1,844)	(25)
Net amounts of financial liabilities presented in the balance sheet	9,909	431

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements at 31 December 2012:

EUR x 1,000	*Interest-bearing liabilities*	*Taxes and social security contributions*
Gross amounts of recognised financial liabilities	9,209	-
Gross amounts of recognised financial assets set off in the balance sheet	(3,673)	-
Net amounts of financial liabilities presented in the balance sheet	5,536	-

For the financial assets and liabilities subject to contractually agreed master netting arrangements or similar arrangements above, each agreement between the company and the counterparty allows for net settlement of the relevant financial assets and liabilities.

Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Crown Van Gelder is exposed to credit risk from its operating activities, primarily bank balances, (trade) receivables and derivative financial instruments.

The credit risk on balances with banks and derivative financial instruments is limited because the counterparties are banks and financial institutions with high credit-ratings assigned by international credit-rating agencies (the credit-ratings of Moody's for these banks vary from Aa2 to A2). For credit risk related to receivables reference is made to note 7.

Liquidity risk management

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

EUR x 1,000	*< 1 year*	*1 – 5 years*	*> 5 years*	*Total*
2013				
Interest-bearing liabilities	9,909	-	-	9,909
Trade payables	9,399	-	-	9,399
Derivative financials instruments	83			83
Other short-term liabilities	3,907	-	-	3,907
Total	**23,298**	**-**	**-**	**23,298**
2012				
Interest-bearing liabilities	5,536	-	-	5,536
Trade payables	10,494	-	-	10,494
Derivative financial instruments	-	-	-	-
Other short-term liabilities	4,078	-	-	4,078
Total	**20,108**	**-**	**-**	**20,108**

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

NET FINANCE INCOME AND COSTS (28)

Finance income

EUR x 1,000	*2013*	*2012*
Interest from outstanding cash and equivalents	-	-
Interest from non-related parties	1	13
	1	**13**

Finance costs

EUR x 1,000	*2013*	*2012*
Interest on interest-bearing liabilities	342	171

COMPONENTS OF OTHER COMPREHENSIVE INCOME (29)

EUR x 1,000	*2013*	*2012*
Cash flow hedges		
Gains / (losses) arising during the year on commodity forward contract	(204)	(346)
Reclassification adjustment for gains included in the income statement	169	148
	(35)	**(198)**

EVENTS AFTER THE REPORTING PERIOD (30)

As per 13 February 2014 the company entered into a new financing arrangement. For further details we refer to note 13 'Interest-bearing liabilities'.

(Before profit appropriation)

EUR x 1,000	*Note*	*31 December 2013*		*31 December 2012*	
ASSETS					
Fixed assets					
Intangible fixed assets	(I)	407		808	
Tangible fixed assets	(II)	10,507		15,061	
Financial fixed assets	(III)	8,505		8,775	
			19,419		**24,644**
Current assets					
Inventories	(IV)	23,055		31,687	
Trade and other receivables	(V)	17,943		14,094	
Cash and cash equivalents	(VI)	97		166	
			41,095		**45,947**
Total assets			**60,514**		**70,591**
EQUITY AND LIABILITIES					
Shareholders' equity					
Subscribed and paid-up capital	(VII,VIII)	8,712		8,712	
Legal reserve	(VIII)	1,143		1,268	
Retained earnings	(VIII)	38,095		62,230	
Other reserve	(VIII)	(35)		-	
Result for the year	(VIII)	(13,047)		(24,260)	
Total equity			**34,868**		**47,950**
Tax accrual	(IX)		**2,477**		**2,901**
Short term liabilities					
Interest-bearing liabilities	(X)	9,909		5,536	
Trade creditors	(XI)	7,562		8,916	
Taxation and social security contributions		420		-	
Derivative financial instruments	(XII)	83		-	
Other short-term liabilities	(XIII)	5,195		5,288	
			23,169		**19,740**
Total shareholders' equity and liabilities			**60,514**		**70,591**

COMPANY PROFIT AND LOSS ACCOUNT

EUR x 1,000	*2013*	*2012*
Result from subsidiaries and associates	278	377
Other result	(13,325)	(24,637)
Net result	**(13,047)**	**(24,260)**

GENERAL INFORMATION

The company financial statements of Crown Van Gelder N.V. as presented are prepared in conformity with Part 9, Book 2 of the Dutch Civil Code. In accordance with subarticle 8 of article 362, Book 2 of the Dutch Civil Code, the company's financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated financial statements. 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.

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.

VALUATION

Financial fixed assets

Subsidiaries are stated at net asset value. Associates, including those where the shareholding is 50%, are stated through the equity method. With reference to subarticle 8 of article 362 Part 9 Book 2 of the Dutch Civil Code, subsidiaries are valued at net asset value based on the recognition and measurement principles that are applied in the consolidated financial statements. 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.

INTANGIBLE FIXED ASSETS (I)

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

TANGIBLE FIXED ASSETS (II)

Movements in the tangible fixed assets were as follows:

EUR x 1,000	*Land and buildings*	*Plant and machinery*	*Other tangible fixed assets*	*Tangible fixed assets under construction*	*Total*
Costs					
At 1 January 2012	22,221	159,285	1,789	3,430	186,725
Additions	-	-	-	4,800	4,800
Transfers	203	3,930	17	(4,150)	-
Disposals at cost	(55)	(2,589)	(128)	-	(2,772)
Balance sheet at 31 December 2012	**22,369**	**160,626**	**1,678**	**4,080**	**188,753**
Depreciation					
At 1 January 2012	18,140	134,709	1,533	-	154,382
Disposals	(55)	(2,589)	(130)	-	(2,774)
Depreciation for the year	517	4,247	93	-	4,857
Impairment	2,018	15,098	111	-	17,227
Balance sheet at 31 December 2012	**20,620**	**151,465**	**1,607**	**-**	**173,692**
Book value at 1 January 2012	**4,081**	**24,576**	**256**	**3,430**	**32,344**
At 31 December 2012	**1,749**	**9,161**	**71**	**4,080**	**15,061**
Costs					
At 1 January 2013	22,369	160,626	1,678	4,080	188,753
Additions	-	-	-	1,567	1,567
Transfers	219	5,008	-	(5,227)	-
Disposals at cost	(38)	(2,450)	(22)	-	(2,510)
Balance sheet at 31 December 2013	**22,550**	**163,184**	**1,656**	**420**	**187,811**
Depreciation					
At 1 January 2013	20,620	151,465	1,607	-	173,692
Disposals	(38)	(2,450)	(22)	-	(2,510)
Depreciation for the year	224	2,294	19	-	2,537
Impairment	342	3,229	14	-	3,585
Balance sheet at 31 December 2013	**21,148**	**154,537**	**1,618**	**-**	**177,304**
Book value at 1 January 2013	**1,749**	**9,161**	**71**	**4,080**	**15,061**
At 31 December 2013	**1,402**	**8,647**	**38**	**420**	**10,507**

As the company's financial statements of Crown Van Gelder N.V. do not include the figures of Crown Van Gelder Energie B.V. the total amount of the impairment shown above is lower than the amount of EUR 5 million showed in note 1 of the consolidated financial statements.

FINANCIAL FIXED ASSETS (III)

Financial fixed assets can be detailed as follows:

EUR x 1,000		*2013*	*2012*
Subsidiaries	(A)	90	137
Investment in associate	(B)	1,229	1,354
Other assets	(C)	2,056	2,165
Deferred tax asset	(D)	5,130	5,119
Balance sheet at 31 December		**8,505**	**8,775**

(A) Subsidiaries

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

Balance sheet at 31 December 2012	137
Net result subsidiaries	(47)
Dividends received	-
Balance sheet at 31 December 2013	**90**

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

(B) Investment in associate

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

(C) Other assets

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

(D) Deferred tax asset

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

INVENTORIES (IV)

Reference is made to note 6 of the notes to the consolidated statement of financial position.

TRADE AND OTHER RECEIVABLES (V)

Trade and other receivables can be detailed as follows:

EUR x 1,000	*2013*	*2012*
Trade receivables	15,209	13,130
Group companies	2,293	487
Taxation and social security contributions	-	150
Other receivables	441	327
Balance sheet at 31 December	**17,943**	**14,094**

CASH AND CASH EQUIVALENTS (VI)

Cash and cash equivalents can be detailed as follows:

EUR x 1,000	*2013*	*2012*
Cash at bank and in hand	97	166
Balance sheet at 31 December	**97**	**166**

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 statement of financial position.

SHAREHOLDERS' EQUITY (VIII)

EUR x 1,000	*Subscribed and paid-up capital*	*Legal reserves*	*Retained earnings*	*Other reserves (note 11)*	*Result for the year*	*Total equity*
Balance sheet at 1 January 2012	**8,712**	**1,289**	**57,937**	**198**	**4,272**	**72,408**
Result for the year	-	-	-	-	(24,260)	(24,260)
Other comprehensive income / (loss)	-	-	-	(198)	-	(198)
Total recognised income and expense	**-**	**-**	**-**	**(198)**	**(24,260)**	**(24,458)**
Result appropriation	-	-	4,272	-	(4,272)	-
Other movements	-	(21)	21	-	-	-
Balance sheet at 31 December 2012	**8,712**	**1,268**	**62,230**	**-**	**(24,260)**	**47,950**
Result for the year	-	-	-	-	(13,047)	(13,047)
Other comprehensive income / (loss)	-	-	-	(35)	-	(35)
Total recognised income and expense	**-**	**-**	**-**	**(35)**	**(13,047)**	**(13,082)**
Result appropriation	-	-	(24,260)	-	24,260	-
Other movements	-	(125)	125	-	-	-
Balance sheet at 31 December 2013	**8,712**	**1,143**	**38,095**	**(35)**	**(13,047)**	**34,868**

Nature and purpose of the reserves

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

Other reserve
Reference is made to note 11 of the notes to the consolidated statement of financial position.

NOTES TO THE
COMPANY BALANCE SHEET

TAX ACCRUAL (IX)

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

INTEREST-BEARING LIABILITIES (X)

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

TRADE CREDITORS (XI)

Trade creditors can be detailed as follows:

EUR x 1,000	*2013*	*2012*
Trade creditors	7,562	8,916
At 31 December	**7,562**	**8,916**

DERIVATIVE FINANCIAL INSTRUMENTS (XII)

We refer to note 15 of the notes to the consolidated statement of financial position.

OTHER SHORT-TERM LIABILITIES (XIII)

We refer to note 16 of the notes to the consolidated statement of financial position.

DIRECTORS' REMUNERATION

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

AUDITOR'S REMUNERATION

In accordance with article 382a of Part 9 of Book 2 of the Dutch Civil Code, the fees of our external auditor PricewaterhouseCoopers Accountants N.V. are disclosed below:

EUR x 1,000	*2013*	*2012*
Audit services	91	100
Other services	3	1
Total	**94**	**101**

In 2013 the audit services consisted of the audit of the company's consolidated and stand-alone financial statements and a review on the company's consolidated interim financial statements. In 2012 the audit services also included a review on the company's sustainability report.

The other services in both fiscal years presented consisted of tax services, which were terminated in 2013. These services were permitted under the transitional arrangement of the Dutch 'Wet op het Accountantsberoep'.

INDEPENDENT AUDITOR'S REPORT

To the General Meeting of Crown Van Gelder N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion,

- the consolidated financial statements give a true and fair view of the financial position of Crown Van Gelder N.V. (the 'Company') and its subsidiaries (the 'Group') as at 31 December 2013, and of their result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code; and
- the company financial statements give a true and fair view of the financial position of Crown Van Gelder N.V. as at 31 December 2013, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2013 of Crown Van Gelder N.V., Velsen, as set out on pages 33 to 81. These financial statements consist of:

- the consolidated financial statements comprising the consolidated statement of financial position as at 31 December 2013, the consolidated income statement, the consolidated statements of comprehensive income, cash flows and changes in equity for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information; and

- the company financial statements comprising the company balance sheet as at 31 December 2013, the company profit and loss account for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our Responsibilities for the Audit of Financial Statements' as included in this report.
We are independent of the Company within the meaning of the relevant Dutch ethical requirements as included in the 'Verordening op de gedrags- en beroepsregels accountants' (VGBA) and the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO) and have fulfilled our other responsibilities under those ethical requirements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The key audit matters from our audit

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. Key audit matters are selected from the matters communicated with the Management Board and the Supervisory Board, but are not intended to represent all matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

Impairment testing of property, plant and equipment
The Company operates a paper production facility in Velsen. Triggered by the prolonged below-target return on capital employed, the Management Board performed an impairment test with respect to its production assets as of 31 December 2013. Based on this test, the Company recognised a net impairment charge of € 5 million on its property, plant and equipment.
This area was important to our audit due to the size of the production asset carrying value (23% of the balance sheet total as of 31 December 2013) as well as the judgment involved in the assessment of the recoverability of the invested amounts. This assessment requires the Management Board to make assumptions to be used in the underlying cash flow forecasts. The assumptions include expectations for sales and margin developments and overall market and economic conditions.
In its analysis and calculations the Management Board has used the expertise of an external valuator.
Our audit procedures included, amongst others, evaluating the assumptions and methodologies used by the Company, and the reputation and capabilities of its external valuator. We used our valuation expert to assist us. We especially challenged assumptions about sales growth rates, developments in raw material and gas prices, the timing of the forecasted recovery of overall market and economic conditions and the level of the WACC. Furthermore, we focused on the adequacy of the disclosures on the assumptions and the outcome of the impairment test, and on the adequacy of the sensitivity analysis in the financial statements. The sensitivity analysis in Note 1 on page 50 of the annual report shows that a small change in assumptions can have a significant effect on the value of the production assets. The Management Board's conclusion on the impairment test and related disclosures are included in pre mentioned note in the annual report.

New financing arrangement
In February 2014 the Company entered into a factoring arrangement with its bank, thereby replacing its former bank financing agreement. The adjustment to the financing structure relates to the changing circumstances in the market in which the Company operates. Note 13 on page 60 of the annual report describes the terms and conditions of the new factoring arrangement.

As part of the preparation of the financial statements, the Management Board assessed the ability of the Company to meet its financing requirements, to comply with the terms and conditions agreed in its new financing arrangement and to continue as a going concern, with a horizon of at least 12 months from the preparation date of these financial statements. This assessment requires the Management Board to make assumptions to be used in the underlying cash flow forecasts. Pre-mentioned analysis and its outcomes are significant to the basis of preparation of the financial statements and our audit thereon.
Our audit procedures included, amongst others, evaluating the assumptions in the cash flow forecasts, the sensitivities in these assumptions and their impact on bank covenants headroom.

Our findings with respect to going concern
The Group's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

As part of our audit of the financial statements, we concur with the Management Board's use of the going concern basis of accounting in the preparation of the Group's financial statements.

The Management Board has not identified a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit for which we refer to the second key audit matter, we also have not identified such a material uncertainty.

However, neither the Management Board nor the auditor can guarantee the Group's ability to continue as a going concern.

Responsibilities of the Management Board and the Supervisory Board for the financial statements
The Management Board is responsible for the preparation and fair presentation of these financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code and for the preparation of the Report of the Management Board in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore the Management Board is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error. The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements
The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with Dutch Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and the entities and business activities within the Company group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We are required to communicate with the Management Board and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON THE REPORT OF THE MANAGEMENT BOARD AND THE OTHER INFORMATION

Pursuant to the legal requirements under Part 9 Book 2 of the Dutch Civil Code with respect to our responsibilities to report on the Report of the Management Board and the Other Information:

- We have no deficiencies to report as a result of our examination whether the Report of the Management Board, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the Other Information has been annexed as required by Part 9 of Book 2 of this Code; and
- We report that the Report of the Management Board, to the extent we can assess, is consistent with the financial statements.

Amsterdam, 20 March 2014
PricewaterhouseCoopers Accountants N.V.

Original signed by drs. R. Dekkers RA

DIRECTORS' STATEMENT

The 2013 financial statements give a true and fair view of the assets, liabilities, financial position and results of Crown Van Gelder N.V. and the companies jointly included in the consolidation.
The 2013 directors' report gives a true and fair review of the situation on the balance sheet date, the developments during the financial year at Crown Van Gelder N.V. and its related companies whose details have been included in its 2013 financial statements. The 2013 Annual Report describes the principal risks which Crown Van Gelder N.V. is facing.

Velsen, 20 March 2014

Management Board

Miklas Dronkers, CEO
Henk van der Zwaag, CFO

Supervisory Board

Jacques van den Hoven, Chairman
Emile Bakker
Henk van Houtum
Theo Philippa
Han Wagter

PROFIT APPROPRIATION

Statutory Provisions

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

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

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

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

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

Result Appropriation 2013

The Management Board proposes, with the approval of the Supervisory Board, to forego the dividend for the financial year 2013. The 2013 net result will be appropriated to retained earnings.

General

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

The company's Management Board

Crown Van Gelder is managed by its Management Board. The Management Board has the full responsibility for both the company's management and the longer term policy making and strategy, all under the supervision of the Supervisory Board. In fulfilling their duties, all members of the Management Board must serve the interests of the company and the enterprise connected therewith. The Management Board shall provide the Supervisory Board with all required information for the exercise of the duties of the Supervisory Board, in a timely manner. 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 appointment 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. 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. 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 and the company's Works Council are laid down in the Management Board Regulations.

The Management Board consists of two directors:
• M. Dronkers (1966)
• H. van der Zwaag (1962)
Mr. Dronkers has been member of the Management Board since 2009 and Mr. Van der Zwaag since June 2013.
The Management Board convenes every fortnight with the company's Management Team to discuss the current affairs of the business, sales and marketing plans, projects' status, operational, safety and health issues and efficiency.

The company's Supervisory Board

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

The Supervisory Board consists of the following five members:

- H. Wagter (1949)
  Member of the Supervisory Board since 2007
- E.J.L. Bakker (1947)
  Member of the Supervisory Board since 2008
- T.A. Philippa (1955)
  Member of the Supervisory Board since 2012
- H.P. van Houtum (1953)
  Member of the Supervisory Board since 2012
- J.A.J.M. van den Hoven (1952)
  Member of the Supervisory Board since 2012

All members of the Supervisory Board are independent pursuant to the criteria listed in best practice provision III.2.2 of the Dutch Corporate Governance Code (the Code) and, accordingly, the company has complied with best practice provision III.2.1 of the Code.
In 2013, the Supervisory Board met on 13 occasions with the Management Board and 3 times without. For the issues that were discussed and the functioning of the Supervisory Board, we refer to the report of the Supervisory Board.
The Supervisory Board has appointed an Audit Committee, which at the end of 2013 consisted of Supervisory Board members H. Wagter and T.A. Philippa, who were elected because of their financial expertise. The Audit Committee met twice in 2013. The Audit Committee has reported its deliberations and findings to the Supervisory Board. For the issues that were reported, we refer to the report of the Supervisory Board. The reports issued by the Audit Committee were discussed at the Supervisory Board's plenary meetings.
No other committees have been appointed by the Supervisory Board. Principle III.5 of the Code requires that in the event that the Supervisory Board comprises more than four members, a remuneration committee and a selection and appointment committee should be appointed. This Principle further provides that if the Supervisory Board decides not to appoint a remuneration committee and a selection and appointment committee, the range of duties of the relevant committees shall apply to the entire Supervisory Board. The company confirms that the entire range of duties of the relevant committees is carried out by the Supervisory Board of Crown Van Gelder.

Balanced distribution of board seats over men and women
At the moment the seats of the Management Board and the Supervisory Board have not been evenly distributed over men and women. In accordance with section 2:166 of the Dutch Civil Code, the company will strive to achieve an evenly balanced composition of the Management Board and the Supervisory Board in respect of – *inter alia* – gender.

The company's General Meeting
The ultimate control of the company is vested in the General Meeting. The General Meeting consists of all holders of shares.

Shareholders and anyone who has a right of usufruct (*vruchtgebruik*) or pledge (*pand*) in respect of a share, is obliged to provide his address to the company.
Holders of shares as well as holders of depository receipts of shares (issued by Stichting Administratiekantoor Crown Van Gelder) have an unlimited right to attend meetings of the General Meeting, to address the meeting and to exercise (either by instruction, or by power of attorney) the voting rights on their shares (underlying their depository receipts, as the case may be). Unless otherwise prescribed by Dutch law or the Articles of Association, resolutions will be adopted by an absolute majority of the votes cast.
The General Meeting meets at least once a year. The last annual General Meeting of Shareholders took place on 16 May 2013.
Shareholders and holders of depository receipts are entitled to request that the Management Board or the Supervisory Board adds items to the agenda of the meeting. Such requests have to meet the conditions as defined in the company's Articles of Association.
Crown Van Gelder facilitates voting by proxy. Introduction and maintenance of electronic voting would involve a substantial effort for a company with the size of Crown Van Gelder and therefore this is not facilitated. Electronic voting will be introduced once a legal obligation has been introduced.
The main powers belonging to the competence of the General Meeting include 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 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 (the Trust Office). The Trust Office issues depository receipts for those shares to individuals and institutions and these depository receipts are the Crown Van Gelder securities traded on NYSE Euronext Amsterdam. In exercising its voting rights on the shares held by it in trust, the Trust Office shall be guided primarily by the interests of the depository receipt holders. The interests of the company and other stakeholders are taken into account as well. The Trust Office's principal goal is to prevent a coincidental majority of shareholders in the General Meeting of Shareholders from controlling the decision-making process as a result of absenteeism. It so fosters the long-term interests of Crown Van Gelder and all of its stakeholders. The Trust Office complies with the requirements of Section 2:118a of the Dutch Civil Code as well as the requirements set out in the Code. Most of the latter requirements relate to the independence of the Board of the Trust Office and the unlimited right of the holders of depository receipts to exercise the voting rights on the shares underlying their depository receipts. The rules governing the internal organisation of the Trust Office and the rights of and obligations resting with the Trust Office and the holders of depository receipts are laid down in the Trust Office's Articles of Association and Trust Conditions which are published on the company's website.

The Dutch Corporate Governance Code (the 'Code')

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

Deviations from the Code

- Best practice provision II.2.13 determines the requirements which the overview of the remuneration policy of the company needs to meet. As certain requirements on the relationship between the chosen performance criteria and the strategic objectives, such as the introduction of new products, are considered competition sensitive, this provision is only partly complied with.
- Best practice provision III.4.3 requires the appointment of a company secretary. In view of the (limited) size of the company and the diversity of tasks and duties, this seems to be an inefficient function. When necessary, the Supervisory Board hires the services of an external lawyer, who shall ensure that correct procedures are followed and that the Supervisory Board acts in accordance with its statutory obligations and its obligations under the Articles of Association. All other tasks are divided between Supervisory Board members.
- Best practice provision III.6.7 requires that a member of the Supervisory Board who, in case all Management Board seats are vacant (*ontstentenis*) or all Management Board members are unable to perform their duties (*belet*), is temporarily charged with the management of the company, shall resign as member of the Supervisory Board. Any such Supervisory Board member temporarily charged with the management shall not participate in the deliberations of the Supervisory Board. In order to safeguard the continuity of the constitution of the Supervisory Board of Crown Van Gelder and the performance of its duties and responsibilities, only if it is expected that the Supervisory Board member in question may be charged with the management for a longer period, he may be requested to resign as member of the Supervisory Board.
- Best practice provision IV.3.1 requires facilitating internet communication (webcasting) for the purpose of accessibility of the General Meetings of Shareholders, press conferences and analysts meetings. Introduction and maintenance of such facilities involve considerable efforts and expenses, which are substantial for a company with the size of Crown Van Gelder. Therefore, this requirement is only partly complied with. In 2007, the company started to webcast the analyst meetings, which are held twice a year. The other meetings are not webcasted yet. The Management Board monitors the general, technological and costs developments in this respect on a continuing basis and will take further steps, if it deems such necessary.

Transactions

- According to best practice provisions II.3.2, II.3.3 and II.3.4 a member of the Management Board shall immediately report any (potential) conflict of interest that is material to the company and/or to him, to the chairman of the Supervisory Board and to the other members of the Management Board. Such member of the Management Board should not participate in any discussion and decision making with respect to the relevant transaction and such transaction should be entered into on arm's length conditions. During the financial year 2013 no such transactions have been reported; the Management Board confirms that these best practice provisions have been complied with.
- Further to best practice provisions III.6.1, III.6.2 and III.6.3 a member of the Supervisory Board shall immediately report any (potential) conflict of interest that is material to the company and/or to him, to the chairman of the Supervisory Board. Such member of the Supervisory Board should not participate in any discussion and decision making with respect to the relevant transaction and

such transaction should be entered into on arm's length conditions. During the financial year 2013 no such transactions have been reported; the Supervisory Board confirms that these best practice provisions have been complied with.
- Best practice provision III.6.4 requires that each transaction between the company and any person holding at least 10% of the issued share capital of the company shall be entered into on arm's length conditions. Furthermore, the decision to enter into such transaction which is material to the company and/or such person holding at least 10% of the issued share capital of the company requires the approval of the Supervisory Board and such transaction shall be reported in the company's annual report. The Company confirms that during the financial year 2013 no such transactions have been reported and this best practice provision has been complied with.

Protective Instruments

Best practice provision IV.3.11 of the Code obliges Crown Van Gelder to provide in its Annual Report an overview of all existing and potential protective instruments against an unsolicited takeover, as well as an overview of the circumstances under which these instruments may be used. During the financial year 2013, Crown Van Gelder has only one such (potential) protective instrument in place. This instrument is the call option right of Stichting Continuïteit Crown Van Gelder to subscribe for a number of new preference shares with a total nominal amount equal to (at the highest) the total nominal amount of the issued and outstanding ordinary shares. The Management Board of the company as well as the Board of Stichting Continuïteit Crown Van Gelder are of the opinion that Stichting Continuïteit Crown Van Gelder is an independent legal entity within the meaning of article 5:71 of the Financial Supervision Act (*Wet op het financieel toezicht*).
According to the company's Articles of Association (article 6 paragraph 3), within four weeks after the issuance of such preference shares a shareholders' meeting must be held, at which the reasons for the issuance of the preference shares must be explained. Pursuant to article 6 paragraph 5 of the company's Articles of Association, within two years after the first issuance of the preference shares a shareholders' meeting must be held, at which a proposal to repurchase and/or cancel the preference shares must be submitted. Stichting Continuïteit Crown Van Gelder can exercise the call option at any moment, but shall in practice restrict the exercise of this right, in conformity with its objects clause, to the protection of the company against influences which might have an adverse material effect on the interests of the company and its related business.

INTERNAL RISK MANAGEMENT AND CONTROL SYSTEM REGARDING THE PROCESS OF FINANCIAL REPORTING

Report on internal risk management and control system

The Management Board is responsible for the design and operational effectiveness of the company's internal risk management and control system and, in doing so, is supervised by the Supervisory Board. The internal risk management and control system has been tailored to reflect the nature and size of the company, and is in line with the relevant COSO ERM Guidelines (Committee of Sponsoring Organizations of the Treadway Commission) and ISO 31000 standards (Risk Management – Principles and Guidelines). Although a system of this kind can never provide absolute certainty, it has been designed to provide reasonable assurance regarding the effectiveness of controls put in place to manage the strategic, operational, financial, compliance, and disaster risks inherent to the company's business. For a description of these risks, we refer to the risk management section in the report of the Management Board.

In 2013, in tandem with this responsibility, the company assessed the risks involved in its primary processes and reviewed its existing and additional controls.
The internal controls over financial reporting are designed to provide reasonable, but no absolute, assurance regarding the reliability of management and financial reporting in accordance with IFRS. The company's controls include procedures ensuring that:
• commitments and expenditures are appropriately authorised by the Management Board;
• records are maintained which accurately and fairly reflect transactions;
• any unauthorised acquisition, use or disposal of the company's assets that could have a material effect on the financial statements is detected on a timely basis;
• transactions are recorded as required to permit the preparation of financial statements.
During the financial year 2013, the company monitored the proper functioning of the above mentioned controls. Due to inherent limitations however, internal controls over financial reporting may not prevent or detect all misstatements. The risk management and control system in place provides reasonable assurance that the financial reporting of Crown Van Gelder does not contain any material inaccuracies. No material weaknesses were identified during the financial year 2013.
Based on the above, the Management Board is of the opinion that the internal risk management and control system provides a reasonable assurance that the financial reporting does not contain any errors of material importance and that the risk management and control system with regard to financial reporting risks worked properly in the financial year 2013. Looking ahead to 2014, the Management Board expects no significant changes.

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

This information reflects the situation as per 20 March 2014 to the extent known to the Management Board and the Supervisory Board. This information is qualified in its entirety by the constitutional and organisational documents of the company and Stichting Administratiekantoor Crown Van Gelder as well as by 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 2013, 871,210 ordinary shares were issued and outstanding and no preference shares were issued and outstanding. Stichting Continuïteit Crown Van Gelder has a call option right to subscribe for a number of preference shares with a total nominal amount equal to (at the highest) the total nominal amount of the issued ordinary shares, but may limit this amount in certain circumstances to 29.9% of the total nominal amount of the issued ordinary shares in order to avoid the obligation to make a public takeover bid for all the shares and all depository receipts, pursuant to chapter 5:5 of the Financial Supervision Act.

Restrictions on the transferability of shares/depository receipts of shares

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

Disclosures of qualifying holdings of shares in the company

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

Parkland N.V.	9.89 %
Navitas B.V.	6.66 %
Stichting Administratiekantoor Arkelhave B.V.	5.75 %
G.M. Dekker	4.44 %

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

Shares carrying special voting or governance rights

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

Control mechanism regarding employee stock options

The company has not granted stock option rights to employees.

Restrictions on voting rights

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

Agreements restricting the transferability of shares and/or the exercise of voting rights

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

Appointment and dismissal of members of the Management Board and the Supervisory Board, amendment of the Articles of Association

The company is by virtue of the law subject to the Rules for Large Companies (*structuurregime*). As a consequence, 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 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 may resolve to revoke its trust in the Supervisory Board which,

** Pursuant to information obtained from the website of the Netherlands Authority of the Financial Markets (www.afm.nl) on 20 March 2014* by virtue of the law, implies the dismissal of all Supervisory Board members. The General Meeting may resolve to amend the Articles of Association.

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

The Management Board has the general rights provided by the law to the management board of a public company that is subject to the Rules for Large Companies. The Management Board has been authorised by the General Meeting to, subject to the approval of the Supervisory Board, issue shares and grant rights to acquire shares. This authorisation includes the issuance of ordinary shares (and granting rights to acquire shares) up to 10% of the ordinary shares issued and outstanding on 16 May 2013 and the issuance of all preference shares included in the company's authorised share capital that have not (yet) been issued. This authority has been granted to the Management Board until the annual General Meeting of Shareholders in 2014.

The Management Board is entitled, subject to prior approval of the Supervisory Board, to effect the repurchase of own shares by the company. The General Meeting has granted such authorisation for a period of 18 months as of the date of the General Meeting of Shareholders of 16 May 2013. The repurchase price must be within the range of EUR 0.01 and at the highest, in case of a depository receipt of a share the average price of a depository receipt on the NYSE Euronext Amsterdam during the ten trading days preceding the day of repurchase increased by 10%, and, in case of a share, five times such amount.

Agreements subject to a change of control following a public offer

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

Agreements with Management Board members or employees subject to a public offer

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

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

THE SUPERVISORY BOARD

Emile Bakker (1947)

Appointed in 2008, reappointed in 2012, current term until 2016

Nationality:	Dutch
Position:	Former Investment Director Antea Participaties B.V.
Supervisory positions:	Member Supervisory Board Boval B.V.
Other positions:	Board member Stichting Preferente Aandelen Batenburg Beheer Board member Stichting Prioriteit Antea Participaties
Stockholding Crown Van Gelder:	none

Henk van Houtum (1953)

Appointed in 2012, current term until 2016

Nationality:	Dutch
Position:	Former Director Strategy and Innovation at Van Houtum B.V.
Supervisory positions:	Chairman Supervisory Board Van Houtum B.V. Member Supervisory Board AWVN
Other positions:	Chairman of the board Royal VNP (Dutch Paper and Board Industry Association) Member of the board CEPI (Confederation of European Paper Industries) Member of the board VNO-NCW (Confederation of Netherlands Industry and Employers)
Stockholding Crown Van Gelder:	none

Jacques van den Hoven, Chairman (1952)

Appointed in 2012, current term until 2016

Nationality:	Dutch
Position:	Self-employed company advisor
Supervisory positions:	Chairman Supervisory Board Van Raak Staal Holding B.V. Member Supervisory Board of Noordbrabants Museum
Other positions:	Chairman of Stichting Wetenschappelijk Onderzoek en Opleidingen in de Vastgoedkunde
Stockholding Crown Van Gelder:	none

Theo Philippa (1955)

Appointed in 2012, current term until 2016

Nationality:	Dutch
Position:	Self-employed company advisor
Supervisory positions:	Member of the Audit Committee of Crown Van Gelder N.V. Member Supervisory Board DPW Van Stolk Holding B.V. Member Supervisory Board Net Display Systems B.V.
Stockholding Crown Van Gelder:	none

DIRECTORS OF THE SUPERVISORY BOARD

Han Wagter (1949)

Appointed in 2007, reappointed in 2011, current term until 2015

Nationality:	Dutch
Position:	Former CFO of Royal Wessanen N.V.
Supervisory positions:	Chairman of the Audit Committee of Crown Van Gelder N.V.
Stockholding Crown Van Gelder:	none

THE MANAGEMENT BOARD

Miklas Dronkers (1966)
Appointed in 2009

Nationality:	Dutch
Positions:	CEO of Crown Van Gelder N.V.
Other positions:	Board member of Royal VNP
	Board member Association for Energy, Environment & Water VEMW
	Chairman of the Environmental Committee of Royal VNP
	Member of the Environmental Committee of CEPI
	Member of Advisory Board Harbour Festival IJmuiden
Stockholding	
Crown Van Gelder:	145 depository receipts

Henk van der Zwaag (1962)

Nationality:	Dutch
Position:	CFO of Crown Van Gelder N.V.
Other positions:	Board member Stichting Pensioenfonds De Eendragt
Stockholding	
Crown Van Gelder:	1,000 depository receipts

The members of the Supervisory Board and the Management Board do not hold options on shares or on depository receipts of shares in the company.

STICHTING ADMINISTRATIEKANTOOR CROWN VAN GELDER (TRUST OFFICE)

REPORT 2013

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

During the year under review three regular meetings of the Board of the Trust Office were held. Issues that amongst others have been discussed are the Annual Report 2013, the agenda for the Annual General Meeting of Shareholders (AGM) and the semi-annual figures 2013.

The Trust Office was present at the AGM on 16 May 2013. The Trust Office had been granted voting proxies to and/or received voting instructions from 24 holders of depository receipts of shares, representing 19.3% of the total number of votes that could be cast at this meeting. The Trust Office itself was entitled to vote on shares representing 80.4% of the total number of votes that could be cast at the meeting. The Trust Office exercised these voting rights and supported acceptance of all proposals submitted to the AGM.

On 8 May 2013 the Trust Office held a meeting of holders of depository receipts of shares. The meeting was attended by two holders of depository receipts of shares. For further information on this meeting we refer to the minutes of this meeting on the website of Crown Van Gelder (www.cvg.nl).

The composition of the Board is as follows:

- Henk Koetzier (attorney at law), chairman and secretary
- Jacques van Exter (member of the board of Jacobs Godshuis te Haarlem and a number of other charitable institutions, connected to the Europe India Institute of Nijenrode Business Universiteit, and a member of the board of Stichting Administratiekantoor van aandelen Telegraaf Media Groep N.V.), member
- Kees Molenaar (member of the Supervisory Board of all officially listed investment funds of Delta Lloyd Asset Management, Aster-X-Europe fund and member of the Advisory Board of all quoted investment funds of Kempen Capital Management), member
- Wim Lammerts van Bueren (emeritus professor, until October 2013 chairman of the board of Stichting Administratiekantoor van aandelen Telegraaf Media Groep N.V., chairman of a number of foundations, connected to Staal Bankiers, and member of the board of Stichting Preferente aandelen Batenburg Beheer), 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 2013 amounted to EUR 22,931.

At 31 December 2013, the Trust Office held in administration ordinary shares Crown Van Gelder N.V. with a total nominal value of EUR 8,680,200 for which it had issued 4,340,100 depository receipts of shares with a nominal value of EUR 2 each.

The administrator of the Trust Office, 'Administratiekantoor van het Algemeen Administratie- en Trustkantoor' (Amsterdam, The Netherlands) performs the activities involved in the day-to-day administration of the ordinary shares.

Velsen, 20 March 2014

Henk Koetzier, chairman	Wim Lammerts van Bueren
Jacques van Exter	Kees Molenaar

For information:
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ADDITIONAL INFORMATION FOR SHAREHOLDERS

DIVIDEND POLICY

The following dividend policy is applicable:

- pay-out ratio of 50% of net profit;
- pay-out of dividend in cash;
- dividend payments will partly depend on the need to fund replacement investments (free cash flow), keeping in mind the company's continuity and credit limit.

KEY FIGURES

Per depository receipt of share of EUR 2 nominal value	*2013*	*2012*	*2011*	*2010*	*2009*
Operating cash flow	0.36	2.03	1.04	1.00	2.37
Net result	(3.00)	(5.57)	0.98	(2.96)	1.04
Dividend[1]	-	-	-	-	0.50
Equity[2]	8.01	11.02	16.63	16.55	20.21
Highest closing price	5.70	5.79	7.29	8.69	8.72
Lowest closing price	3.27	3.60	3.40	6.25	4.95
Closing price at year-end	3.67	5.55	3.60	7.25	8.10
Pay-out ratio in %	-	-	-	-	48
Price/earnings ratio at year-end	undefined	undefined	37	undefined	7.8
Price/equity ratio in %	46	50	22	44	40

[1] Dividend 2013 is proposal to shareholders.
[2] Equity before appropriation of results.

CALENDAR 2014

• 14 February 2014	Press release annual results 2013
• 15 May 2014	Annual General Meeting of Shareholders and trading update
• 25 July 2014	Press release half-year results 2014
• 13 November 2014	Trading update

CALENDAR 2015

• 13 February 2015	Press release annual results 2014
• 21 May 2015	Annual General Meeting of Shareholders and trading update
• 22 May 2015	Ex-dividend listing
• 26 May 2015	Record date
• 2 June 2015	Dividend payment date
• 24 July 2015	Press release half-year results 2015
• 12 November 2015	Trading update

INVESTOR RELATIONS

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