

Velsen, 15 May 2014 (before market opening)

- **CVG SALES AND RESULTS POSITIVELY IMPACTED BY FAVOURABLE MARKET TRENDS**
- **STRONG GROWTH IN FOCUS PRODUCTS SUPPORTED BY RETURN OF SECTOR CONFIDENCE AT START 2014**
- **CVG EXPECTS SLIGHT NET PROFIT IN FIRST HALF 2014**

Today, at the Annual General Meeting of shareholders Crown Van Gelder (CVG) will present the following trading update on recent market developments and the outlook for 2014.

Operating review

Market developments

In the first months of 2014, developments in several markets relevant for CVG positively impacted sales and results.

Improving market sentiment and strong order intake has resulted in the full utilisation of CVG's production capacity. The order volume in the European market for woodfree uncoated paper showed a steady increase of 7% compared with the same period last year, after a downward trend in the preceding two years.

With the improvement in market conditions, also sales in CVG's focus products showed a strong growth compared to last year. As outlined in CVG's FOCUS 2016 strategy, commercial focus is especially directed at three target areas: high speed (digital) inkjet, label and specialty packaging, with better margins and good growth perspectives.

High speed inkjet and speciality packaging show the strongest growth among the focus products. The high speed inkjet product range has been developed for high volume colour inkjet printers. Inkjet printing is applied as printing technology for transactional applications and mailings and also publishers show strong interest in book printing with inkjet technology. In speciality packaging, paper for luxury shopping bags is a fast growing and promising product in CVG's product range, since the EU has recently decided to fully ban single-use plastic shopping bags as from next year.

Raw material and energy costs

Pulp is the most important raw material for CVG's papers and also the largest input cost in the paper making process. Until mid 2013, pulp prices rose on the back of solid demand from Asia. In the second half of 2013, prices of short fibre pulp which is the most relevant for CVG's products, came under pressure. This was in anticipation of extra pulp supply (of around 15% of supply) that would come on stream due to the commissioning of new short fibre pulp production capacity in South America. Since pulp is mainly traded in USD, the weaker USD compared to the EUR gave extra cost relieve.

After a hit by strong price increases in gas in 2013, CVG has kept gas prices floating in anticipation of lower prices. Since early 2014, gas prices have come down markedly. Despite geopolitical tensions in Eastern Europe current gas market fundamentals show future downside opportunities in the months ahead. CVG has recently extended its gas framework contract up until 2016. Based on energy specialist recommendation, all future gas price positions will remain floating, enabling CVG to take advantage of lower prices going forward. However, gas prices could be fixed at any time if and when market developments alter.

CVG is obliged to take part in the European Trading System (EU ETS) for emission allowances. For the current ETS plan period, which runs from 2013 to 2020, CVG has to buy around 80,000 ton of emission allowances on the market, annually. The company has currently hedged 75% of the 2014 volume at relatively low price levels.

Financial position

Although the company's commercial and operational strategy is valid, it should be taken into consideration that market conditions could remain volatile and will only improve gradually. To counteract pressure on cash flow and results, the company has taken additional measures to increase market performance and efficiency, to lower costs and to decrease capex and working capital requirements.

Measures to reduce working capital resulted in a decrease in working capital of EUR 11 million in the second half of 2013. In the first months of 2014, working capital could be reduced further by around EUR 5 million. As a result, debt levels have decreased further compared to the EUR 10 million at year-end 2013. For 2014, capex is expected to amount around EUR 4 million, roughly in line with depreciation costs.

Partnership search

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 CVG. As announced in February's press release, CVG has recently resumed its active search for a partnership, against the backdrop of improving economic conditions and a stronger profile of CVG as a niche player in the focus areas. First contacts have been established with several parties. The company will give an update on developments if and when appropriate.

Outlook 2014

Financial results in the first half of 2014 will be positively affected by lower pulp prices and energy costs. Combined with a healthy order book and full production capacity utilisation during at least the first half of 2014, a strong recovery of results is expected. Based on current insights, CVG forecasts a slight net profit over the first half of 2014 (compared to a net loss of EUR 3.7 million in the first half of 2013).

In the last few years, economic activity in the European paper market has been volatile. Management is confident about the further progress of additional measures that have been taken to improve commercial and operational performance. The development of results in the second half of 2014 is subject to the magnitude of the sales increase in focus products, the European economic outlook and its impact on paper demand, pulp, gas and selling price developments and the development of exchange rates, which makes it difficult to give a forecast for the second half of 2014. Therefore, CVG is not in the position to provide an outlook for the full year 2014.

Crown Van Gelder will publish the 2014 half year results on 25 July 2014 (before market opening).

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Profile:

Crown Van Gelder N.V. is a specialist paper manufacturer with around 280 staff, based in Velsen (The Netherlands). The company develops, produces and sells high-quality specialty products in the woodfree uncoated and single-coated paper sectors. The product portfolio includes a market leading range of Crown Letsgo high-speed inkjet papers designed to print forms, statements, direct mail, brochures and (colour) books. 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 a (polyethylene) PE coating. Crown Van Gelder N.V. is listed on NYSE Euronext Amsterdam.