

A combined analyst and press meeting will be held on 26 July 2013 at 10.00 a.m.
 The presentation and audio webcast will be made available on www.cvg.nl

Velsen, 26 July 2013 (before market opening)

- **RESULTS DEPRESSED BY WEAK MARKET CONDITIONS, HIGHER RAW MATERIAL PRICES AND ENERGY COSTS**
- **NET LOSS OF EUR 3.7 MILLION FOR FIRST SIX MONTHS OF 2013 (FIRST HALF 2012: NET PROFIT OF EUR 1.8 MILLION)**
- **GROWTH AMBITIONS IN FOCUS AREAS HAMPERED BY LAGGING EUROPEAN PAPER MARKET**
- **CROWN VAN GELDER EXPECTS A NET LOSS FOR THE SECOND HALF OF 2013**

KEY FIGURES

<i>(in mln EUR)</i>	30 June 2013	30 June 2012
Total revenue	78.5	83.0
Operating result	(3.9)	1.9
Net result	(3.7)	1.8
Net result, attributable to owners of the parent	(3.7)	1.7
Capital expenditure	5.6	1.0
Sales (ton)	102,300	107,100
Production (ton)	107,600	106,900
Number of employees (on average)	287	280
Per depository receipt of share <i>(in EUR)</i>		
Operating cash flow	(1.68)	0.16
Net result (attributable to owners of the parent)	(0.85)	0.40
Closing price	3.94	4.98
Equity	10.20	17.02
Number of depository receipts	4,356,005	4,356,005

Miklas Dronkers, CEO, commented: *"In the past few years we have been working very hard to strengthen Crown Van Gelder's commercial focus. Driven by our New Business Development program, CVG is now positioned as a speciality supplier focussing on digital inkjet, label and packaging, offering a broad and modern range of new products. However, economic developments and market circumstances have not been favourable, leading to pressure on our results. The traditionally weaker European paper market during the summer period and the difficult market conditions will continue to depress our results in the second half."*

Despite these factors CVG has steadily expanded its customer base. We are in close collaboration with companies such as HP, Canon, Screen, Xerox and Ricoh. Crown Digital is the most promising product range among CVG's focus products. The digital product range has been developed for high speed colour inkjet printers. Inkjet printing is currently widely used for transactional applications and mailings and also publishers show strong interest in printing books and magazines using inkjet technology. CVG is working closely with supply chain partners among publishers and retailers in this promising market. Although it is difficult to say when the market conditions will improve, CVG is well positioned to reap the benefits when conditions turn for the better. A pick-up of demand for CVG's focus products will then also contribute to the improvement of results."

Operating review

Results

Crown Van Gelder's (CVG) net loss for the first six months of 2013 amounted to EUR 3.7 million vs. a profit of EUR 1.8 million in the first six months of 2012. The result came in slightly better than indicated earlier, when CVG expected a net loss of EUR 4 million.

Exceptionally weak market conditions combined with higher raw material costs and a strong increase in energy prices contributed to the deterioration of results in the first half of 2013. Growth ambitions in focus areas, namely papers for niche markets of digital inkjet printing, label and packaging applications were also hampered by the slump in the European market. CVG has however taken the necessary actions to further expand its business network in these focus areas and expects to reap the benefits of this expansion as soon as European market conditions show improvement.

Revenue amounted to EUR 78 million, compared to EUR 83 million in the first half of 2012. Sales volumes dropped by roughly 4% to 102,300 ton and production volumes increased by nearly 1% to 107,600 ton.

Market developments

As part of its FOCUS 2016 strategy, published last February, CVG has restructured and expanded its sales organisation to strengthen the commercial focus and impact and to enhance the company's business profile as a supplier of quality products in differentiated niche markets.

In the first half of 2013, CVG's market performance was heavily impacted by the slump in the European economy and its overall impact on the European paper market. Market confidence was extremely low and order volume in the European market for woodfree uncoated paper on reels showed a further decrease of 6% compared with the same period last year, following an already strong decrease in 2012.

Despite the negative market sentiment CVG's production capacity could be fully utilised during the first half of 2013. The product mix was however clearly below CVG's ambition levels. Growth expectations in focus product sales did not yet materialise in higher sales volumes.

Average selling prices in the first half of 2013 were practically unchanged, compared to the same period last year. Selling price increases were actively sought for to compensate for higher costs levels, but until now were difficult to accomplish due to weak market demand.

Raw materials prices, energy and other costs

Price developments in commodity and energy markets were influenced by more positive economic developments in other parts of the world, especially North America and China. Pulp is the most important raw material for CVG's papers and also the largest input cost in the paper making process. Pulp prices have remained at high levels, on the back of solid demand from Asia, planned maintenance downtime at pulp suppliers and a delay in the introduction of substantial new pulp production capacity on the market. Compared to the first half of 2012, the average pulp price in EUR for CVG was around 6% higher in the first half of 2013.

As the energy contracts, with prices well below market price levels, CVG had in place expired at the end of 2012, CVG is now confronted with market prices for natural gas which are markedly higher than 2012 prices. In the first half of 2013, the cost increase due to the higher gas prices amounted to 20% compared to the same period last year. The company has decided to keep gas prices floating in anticipation of possibly lower market prices for gas in the future, given the current economic situation in Europe. Until now, gas prices have only slightly come down since early 2013.

Employee benefit costs increased by EUR 0.7 million, this was mainly caused by a slightly higher staff and wage increases. Depreciation and other operating costs decreased by EUR 0.4 million.

Capital expenditure

In the first half of 2013 capital expenditure amounted to EUR 5.6 million, including a major part of expenditure for the periodic power plant revamp. In April 2013 the latter part of this periodic revamp was concluded successfully. Capital expenditure is expected to be around EUR 8 million for the full year. Capital expenditure and working capital requirements can be financed through the available credit line. During the first half of 2013, interest-bearing liabilities increased by around EUR 12.5 million due to capital expenditures and higher working capital.

Outlook 2013

Current market conditions remain tough, and combined with the traditionally weaker European paper market during the summer period, this will result in some paper demand related downtime for CVG during the summer months.

Inventory levels throughout the customer chain are presently at a very low level. In the last few years, economic activity in the European paper market has turned out to be extremely volatile, with quarters with weak performance followed by stronger ones. As soon as market sentiment improves, a recovery of paper demand and prices could be expected, especially for focus products. However, at this moment it is difficult to predict the exact timing of the market turnaround.

On balance, CVG expects this to impact the sales forecast for the full year 2013, and now foresees a volume between 210,000 and 215,000 ton instead of growth towards 220,000 ton, as forecasted earlier.

Financial results are currently still adversely affected by high pulp and energy prices. During the course of the second half of 2013, substantial new pulp capacity in South-America will come on stream. Combined with weaker economic growth expectations in the Asian markets, pressure on pulp prices is expected to built up gradually, which might result in lower pulp costs later this year.

CVG is obliged to take part in the European Trading System (EU ETS) for emission allowances. Although in the meantime the European Parliament has voted for a temporary reduction of supply of new emission allowances to boost emission prices, prices for emission allowances have stayed at low levels. For CVG this will result in lower emission costs than anticipated earlier.

The development of results in the second half of 2013 is subject to a multitude of factors, such as the timing of European economic turnaround and its impact on paper demand, especially the demand for CVG's focus products, pulp, gas and selling price developments and the development of exchange rates. All these factors are yet hard to predict. Therefore, CVG is not in the position to provide a precise outlook for the full year 2013, but expects the second half of 2013 still to be loss-making.

CVG is taking the necessary steps to consolidate its market position and to safeguard its financial position in a challenging business environment. For a full description of all relevant risks, reference is made to the risk management paragraph in the 2012 Annual Report, which the company considers to be fully applicable for this interim report.

Crown Van Gelder will publish a trading update on 7 November 2013 (before market opening) and will publish the 2013 annual results on 14 February 2014 (before market opening).

For more information, please contact:

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Internet site: www.cvg.nl

Profile:

Crown Van Gelder N.V. is a specialist paper manufacturer with around 280 staff. The company develops, produces and sells high-quality speciality products in the woodfree uncoated and single-coated paper sectors. The product portfolio includes customised solutions for self-adhesive labels and base paper grades that are coated, metallised or provided with a (polyethylene) PE coating, and paper products suited as packaging materials for use in combination with foodstuffs, and a series of speciality paper products designed to print forms, direct mail, envelopes, books, and manuals. Crown Van Gelder N.V. is listed on NYSE Euronext Amsterdam.

Appendices:

- Interim consolidated income statement
- Interim consolidated statement of comprehensive income
- Interim consolidated statement of financial position
- Interim consolidated cash flow statement
- Interim consolidated statement of changes in equity
- Accounting policies
- Explanatory notes to the accounts
- Directors' statement of responsibilities
- Review report

INTERIM CONSOLIDATED INCOME STATEMENT		
1 JANUARY TO 30 JUNE (x EUR 1,000)		
	2013	2012
Total revenue	78,473	83,014
Costs related to revenue	(3,999)	(4,134)
Raw materials, consumables and energy	(61,252)	(56,436)
Change in inventories of finished goods	3,363	241
Employee benefits costs	(11,079)	(10,385)
Depreciation and amortisation	(2,283)	(2,955)
Other expenses	(7,156)	(7,437)
Total operating expenses	(82,406)	(81,106)
Operating result	(3,933)	1,908
Finance income	-	12
Finance costs	(163)	(89)
Net finance income	(163)	(77)
Share of after tax result of associate	211	188
Result before tax	(3,885)	2,019
Tax income / (loss)	200	(249)
Result for the period	(3,685)	1,770
Result for the period attributable to:		
Owners of the parent	(3,711)	1,738
Non-controlling interests	26	32
NET RESULT	(3,685)	1,770
Basic earnings per depository receipt of share	(0.85)	0.40
Diluted earnings per depository receipt of share	(0.85)	0.40

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (x EUR 1,000)		
1 JANUARY TO 30 JUNE		
	2013	2012
Result for the period	(3,685)	1,770
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Net gains / (losses) on cash flow hedges	183	(116)
Income tax effect	(46)	29
Other comprehensive income for the period, net of tax	137	(87)
Total comprehensive income for the period, net of tax	(3,548)	1,683
Total comprehensive income for the period attributable to:		
Owners of the parent	(3,574)	1,651
Non-controlling interests	26	32
Total comprehensive income for the period, net of tax	(3,548)	1,683

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (x EUR 1,000)
(before profit appropriation)

	30 June 2013	31 December 2012
ASSETS		
Non-current assets		
Property, plant and equipment	20,565	17,002
Intangible assets	600	808
Investment in associate	1,115	1,354
Deferred tax assets	5,073	5,119
Other assets	2,111	2,165
	29,464	26,448
Current assets		
Inventories	33,689	31,687
Trade and other receivables	17,731	13,845
Cash and cash equivalents	213	261
	51,633	45,793
Total assets	81,097	72,241
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent	44,376	47,950
Non-controlling interests	69	43
Total equity	44,445	47,993
Non-current liabilities		
Tax accrual	2,689	2,901
	2,689	2,901
Current liabilities		
Interest-bearing liabilities	17,994	5,536
Trade creditors	11,286	10,494
Taxation and social security contributions	442	19
Other short-term liabilities	4,241	5,298
	33,963	21,347
Total liabilities	36,652	24,248
Total equity and liabilities	81,097	72,241

INTERIM CONSOLIDATED CASH FLOW STATEMENT
1 JANUARY TO 30 JUNE (x EUR 1,000)

	2013	2012
Cash flow from Operating activities		
Operating result	(3,933)	1,908
<i>Adjustments for:</i>		
Depreciation and amortisation	2,283	2,955
<i>Movements in working capital:</i>		
Trade and other receivables	(3,886)	1,621
Inventories	(2,002)	(1,953)
Trade creditors	792	(2,369)
Other items	(463)	(1,341)
	(5,559)	(4,042)
	(7,209)	821
Interest paid	(103)	(145)
Interest received	-	12
Income taxes paid	(6)	-
	(109)	(133)
Net cash flow from / (used in) operating activities	(7,318)	688
Cash flow from Investing activities		
Investments in property, plant and equipment	(5,638)	(991)
Dividends received	450	400
Net cash flow from / (used in) investing activities	(5,188)	(591)
Cash flow from Financing activities		
Interest-bearing liabilities	12,458	(289)
Net cash flow from / (used in) financing activities	12,458	(289)
Increase / (decrease) in cash and cash equivalents	(48)	(192)
Cash and cash equivalents at 1 January	261	431
Cash and cash equivalents at 30 June	213	239

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (x EUR 1,000)

	Sub- scribed and paid up capital	Retained earnings	Other reserves	Result for the period	Total	Non- controlling interests	Total equity
At 1 January 2012	8,712	59,226	198	4,272	72,408	53	72,461
Movements in 1st half 2012							
Result for the period	-	-	-	1,738	1,738	32	1,770
Other comprehensive income / (loss)	-	-	(87)	-	(87)	-	(87)
Total comprehensive income	-	-	(87)	1,738	1,651	32	1,683
Paid dividends	-	-	-	-	-	-	-
Result appropriation	-	4,272	-	(4,272)	-	-	-
At 30 June 2012	8,712	63,498	111	1,738	74,059	85	74,144
At 1 January 2013	8,712	63,498	-	(24,260)	47,950	43	47,993
Movements in 1st half 2013							
Result for the period	-	-	-	(3,711)	(3,711)	26	(3,685)
Other comprehensive income / (loss)	-	-	137	-	137	-	137
Total comprehensive income	-	-	137	(3,711)	(3,574)	26	(3,548)
Paid dividends	-	-	-	-	-	-	-
Result appropriation	-	(24,260)	-	24,260	-	-	-
At 30 June 2013	8,712	39,238	137	(3,711)	44,376	69	44,445

General information

This consolidated interim financial information was approved for issue on 25 July 2013. These condensed interim financial statements have been reviewed, not audited.

Basis of preparation of interim report

The accounting policies, methods of computation and presentation adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of Crown Van Gelder's 2012 annual financial statements. The adoption of the new standards and interpretations as of 1 January 2013 did not have any impact.

These interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The consolidated interim financial statements of Crown Van Gelder N.V. have been prepared on a historical cost basis. The consolidated interim financial statements are presented in euros (EUR) and all values are rounded to the nearest thousand except when otherwise indicated.

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 interim 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:

Estimated impairment of Property, plant and equipment

When triggering events occur, the company tests whether property, plant and equipment has 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. To this end reference is made to the note on property, plant and equipment on page 44 of the financial statements in the 2012 Annual Report. Based on the development of the results in the first half of 2013, management concluded that a triggering event had occurred. In its resulting analysis, management concluded that the developments in the first half of 2013 did not have a material impact on the long term forecasts as included in the 2012 impairment review. Management will perform the impairment review at the end of 2013 as part of the regular financial year end procedures.

Estimated impairment of Deferred tax assets

When triggering events occur, the company tests whether the deferred tax assets have suffered impairment, in accordance with the accounting policies. The recoverable amount of the deferred tax assets has been determined based on internal calculations. These calculations require the use of estimates.

Seasonality of operations

The operations of the company are not subject to seasonality.

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.

Explanatory notes to the accounts

Geographical distribution of total revenue (as a percentage of the total)		
	1st half year 2013	1st half year 2012
Benelux (The Netherlands, Belgium, Luxemburg)	27	28
Germany	22	21
United Kingdom	12	10
France	14	16
Italy	9	8
Other Europe	7	9
Outside Europe	9	8
Total	100	100

Components of other comprehensive income

Movements of other comprehensive income before tax (x EUR 1,000)		
	1st half year 2013	1st half year 2012
Cash flow hedges:		
Gains / (losses) arising during the period	348	(78)
Reclassification adjustments for (gains) / losses included in the income statement	(165)	(38)
Total effect on other comprehensive income resulting from cash flow hedges (before tax)	183	(116)

Tax effect of components of other comprehensive income (x EUR 1,000)		
	1st half year 2013	1st half year 2012
Cash flow hedges:		
Gains (losses) arising during the period	(87)	20
Reclassification adjustments for gains / (losses) included in the income statement	41	9
Total tax effect on other comprehensive income resulting from cash flow hedges	(46)	29

Property, plant and equipment

During the six month period ended 30 June 2013 Crown Van Gelder N.V. invested an amount of EUR 5,638,000 (HY1 2012: EUR 991,000) in its property, plant and equipment. The amount of the first half year 2013 mainly relates to the periodic power plant revamp. There were no disposals during this period.

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

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.

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 (periodic) quotes from external parties.

	30 Jun 2013	Level 1	Level 2	Level 3
Derivative in effective hedge				
Commodity forward contract	183	-	-	183
Financial assets / liabilities at fair value through profit and loss				
Foreign exchange contracts – non hedged	29	-	29	-

During the reporting period ended 30 June 2013, there were no transfers between Level 1 and Level 2 respectively Level 2 and Level 3 fair value measurements. The financial instruments are classified in the Statement of Financial Position under line item "trade and other receivables"

	31 Dec 2012	Level 1	Level 2	Level 3
Financial assets / liabilities at fair value through profit and loss				
Foreign exchange contracts – non hedged	8	-	8	-

During the reporting period ended 31 December 2012, there were no transfers between Level 1 and Level 2 respectively Level 2 and Level 3 fair value measurements.

The fair value of the following financial assets and liabilities approximates their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Interest-bearing liabilities
- Trade creditors
- Other short-term liabilities

Employee benefits costs

In the first half of 2013, employee benefits costs included a net pension expense of EUR 983,000 (HY1 2012: net pension expense EUR 940,000).

Commitments and contingencies

At 30 June 2013, Crown Van Gelder had commitments amounting to EUR 1.2 million relating to various investment projects (HY1 2012: EUR 2.7 million).

Tax

Tax income in the income statement is positively influenced by the release of EIA (Energy Investment Allowance) amounting to EUR 0.2 million (HY1 2012: EUR 0.2 million).

Credit facilities

The total amount of credit facilities is EUR 35 million. During the first half of 2013, interest-bearing liabilities increased by around EUR 12.5 million due to capital expenditures and higher working capital. The credit facilities are secured by inventories (pulp and finished goods) and accounts receivables. The interest concerning the facilities consists of a basic interest rate (EURIBOR), plus an average mark-up of approximately 2%.

Related party transactions

There have been no significant related party transactions or changes in related party transactions as described in the latest annual report that could have a material effect on the financial position or performance of the company in the first six months of the current financial year.

Directors' statement of responsibilities

In compliance with the statutory requirements, the directors confirm that:

1. The 2013 half-year financial statements give a true and fair view of the assets, liabilities, financial position and results of Crown Van Gelder N.V. and the entities included in the consolidation.
2. The 2013 half-year management board report gives a true and fair review of the important events of the past six-month period and their impact on the half-year financial statements, as well as the principal risks and uncertainties for the six-month period to come, and the most important related party transactions.

Velsen, 26 July 2013

M. Dronkers, Chief Executive Officer

H. van der Zwaag, Chief Financial Officer

Review report

To: the Supervisory Board of Crown Van Gelder N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the six-month period ended 30 June 2013 of Crown Van Gelder N.V., Velsen-Noord, which comprises the condensed statements of financial position as at 30 June 2013, the condensed income statement, the condensed statement of comprehensive income, the condensed statement of changes in equity, the condensed statement of cash flows and the selected explanatory notes for the six-month period then ended. Management is responsible for the preparation and presentation of this (condensed) interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the company. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2013 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Amsterdam, 26 July 2013

PricewaterhouseCoopers Accountants N.V.

Original signed by drs. R. Dekkers RA