CVGPAPIER
CROWN VAN GELDER

Press release

An analyst meeting will be held on 31 July 2009 at 10.00 a.m. The analyst presentation and audio webcast will be made available on www.cvg.nl

Velsen, 31 July 2009 (before market opening)

- **NET PROFIT FOR FIRST SIX MONTHS OF 2009 EUR 2.3 MILLION (FIRST HALF 2008: LOSS OF EUR 0.4 MILLION)**
- **IMPROVEMENT IN RESULTS FROM LOWER RAW MATERIALS COSTS, DESPITE LOWER PRODUCTION AND SALES VOLUMES**
- **NEW BUSINESS DEVELOPMENT PROGRAMME IS ON STREAM AND CLEARLY CONTRIBUTING TO RESULTS THROUGH BETTER PRODUCT MIX**
- **CVG EXPECTS 2009 TO BE POSITIVE (EXCLUDING NON-RECURRING ITEMS)**

KEY FIGURES

(in EUR x 1,000)	**30 June 2009**	**30 June 2008**
Total revenue	73,437	84,936
Operating result	2,805	(898)
Net result	2,328	(442)
Capital expenditure	2,032	1,855
Sales (ton)	98,100	113,100
Production (ton)	97,400	109,700
Number of employees (on average)	298	288
Per depository receipt of share *(in EUR)*		
Operating cash flow	0.66	0.03
Net result	0.53	(0.10)
Closing price	6.30	10.80
Equity	20.16	23.64
Number of depository receipts	4,356,005	4,356,005

Mees Hartvelt, CEO, commented: “During the first half of 2009, our industry was struck by the consequences of the economic downturn and effects of the credit crunch throughout Europe. The lower order intake was compensated by a significant drop in raw material costs. The lower order intake offered us a unique opportunity to pursue the development of New Business Development (NBD), resulting in a 60% higher NBD volume. Moreover, this higher margin business contributed favourably to our results. We are cautiously optimistic for the remainder of the year, but not yet able to forecast the structural effects of this economic downturn combined with the announced new capacity in our sector.”

Operating review

Results
Crown Van Gelder's (CVG) net result for the first six months of 2009 was EUR 2.3 million vs. a loss of EUR 0.4 million in the first six months of 2008 and despite challenging economic conditions. The positive impact of lower raw materials costs, lower depreciation costs and a substantially better product mix exceeded the adverse impact of lower production and sales volumes.
In the first half of 2009 revenue amounted to EUR 73.4 million (1H 2008: EUR 84.9 million). The sales volume decreased by around 13% to a level of 98,100 ton and the production volume dropped by 11% to 97,400 ton. The unusual low order intake, combined with our NBD programme caused some inefficiencies in the mill operations. As in the first half of 2008, the company incurred a loss of around EUR 0.3 million from the impairment on accounts receivable due to the insolvency of a few customers and extra reservations for long outstanding receivables.

Raw materials prices, energy and other costs
Bleached pulp is the most important raw material for CVG's papers. The NBSK benchmark (long fibre) USD pulp price reached a record high in the summer of 2008. Since then, due to a sharp drop in demand and de-stocking by pulp consumers, NBSK pulp prices fell by around one-third, reaching a low of USD 580 per ton in April 2009. In the last three months some recovery of pulp prices has taken place, bringing the NBSK pulp price back to USD 640 per ton, comparable with early 2009. The price of short fibre pulp which is of greater importance for CVG than NBSK pulp decreased by around EUR 40 per ton during the first half of 2009.
The average bleached pulp price for CVG in the first half of 2009 was in EUR nearly 30% lower than in the first half of 2008. After years of strong cost increases that could not sufficiently be passed on to our customers, the lower raw materials costs have contributed to a recovery of results.

As announced earlier, energy prices for 2009 (and 2010) have been fixed at roughly the same level as in 2008. In 2008 CVG was not affected by higher oil and gas prices, due to a timely fixation of energy prices.

On balance, other operating costs remained unchanged; employee benefits costs rose by EUR 0.7 million, mainly due to higher pension costs but depreciation costs dropped by EUR 0.7 million (due to an impairment charge on fixed assets in 2008).

Capital expenditure
In the first half of 2009 capital expenditure amounted to EUR 2.0 million. For the full year 2009, capital expenditure will be around EUR 9 million. A large part of capital expenditure in the second half 2009 will be related to necessary replacement investments in machinery and equipment. The investments can be financed through operating cash flow and available credit lines.

Market developments
The economic downturn has clearly impacted the order intake in the European paper market. In the first half of 2009, the order volume in the European market for woodfree uncoated paper (WFU) showed a decrease of 12% compared with the same period last year. CVG's production and sales volumes have merely followed this market trend.
The company is vigorously pursuing the further introduction of new and improved products under its New Business Development (NBD) programme, as outlined in the Mission 2012. Around 25,000 ton of new and improved (NBD) products were sold in the first half of 2009, compared to 35,000 ton for the whole of 2008. The volume increase was more than 60% compared to the first half of 2008 and NBD sales have contributed favourably to the company's results.
Compared to the first half of 2008, the average selling price was unchanged, and dropped by 1% including currency effects, due to the GBP.

The turbulence in the financial markets and its impact on the economy has resulted in a more risk adverse attitude of credit insurance companies. As a consequence, CVG's credit insurer has lowered the coverage on receivables outstanding and this will have an impact on the company's risk profile. CVG closely monitors customers' outstanding receivables and uninsured risks.

Outlook 2009

In the first half of 2009, major European paper companies have counteracted the drop in order intake by large scale capacity reductions, both temporary and permanently, in order to improve the supply and demand balance. It is not yet clear at which level paper consumption will stabilise, but slight improvements in demand have been noticed, recently. In Portugal, a new WFU plant is starting up in the second half of the year and two production plants for woodfree coated products changed production to WFU products. The ultimate impact of these developments on capacity utilisation in our industry during the remainder of the year is hard to predict. In the current economic environment, pressure on selling prices is evident.

The lower order intake has resulted in less efficient production runs for CVG. More production time has been and will be devoted to the New Business Development programme, contributing favourably to results and the prospects of the company.

The insolvency risk of our customers is higher than in the past. Combined with decreased credit insurance cover, CVG's results could be adversely affected by customer insolvencies. For a full description of all relevant risks, reference is made to the risk management paragraph in the 2008 annual report.

CVG's order book is good, although at a lower level than last year. Production and sales volumes in the second half of 2009 are expected to be in line with the first half of 2009, bringing the 2009 volume to around 195,000 ton vs. around 213,000 ton in 2008.

Bleached pulp markets have changed dramatically since the autumn of 2008 and resulted in pulp prices in Q2 2009 close to cash cost levels for large parts of the pulp industry. Pulp prices seem now to have bottomed out. Pulp production curtailments, low inventory levels at consumers and strong demand from China have provided for pulp producers some stimulus for pulp price increases in recent months. Pulp price developments in the second half of 2009 will amongst others depend on the prolongation of high pulp demand from China, the introduction of new hardwood pulp capacity in Latin America, the pace of economic recovery and exchange rate developments.

The company's financial structure is strong, with a high equity ratio and a good operating cash flow. CVG's expects the full year 2009 to be profitable, excluding non-recurring items (e.g. customer insolvencies).

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

For more information, please contact:
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Internet site: www.cvg.nl

CVGPAPIER CROWN VAN GELDER

Press release

Profile:
Crown Van Gelder N.V. produces and sells high quality specialty products in the woodfree uncoated and single-coated paper sector. The company is based in Velsen (the Netherlands) and employs around 300 people.
The company operates two paper machines and its product portfolio consists of a range of specialty paper grades for transactional print, envelopes and other stationery, direct mail, books and manuals, packaging materials and tailor-made face and base paper customer solutions, like base papers for self-adhesive materials and direct thermal printing.
Crown Van Gelder N.V. is listed at the Official Market of NYSE Euronext Amsterdam.

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)				
		2009		**2008**
Total revenue		**73,437**		**84,936**
Costs related to turnover	(4,353)		(4,398)	
Raw materials, consumables and energy	(42,127)		(57,791)	
Change in inventories of finished goods	(2,440)		(1,994)	
Employee benefits costs	(10,627)		(9,930)	
Depreciation and amortisation	(4,105)		(4,850)	
Other expenses	(6,980)		(6,871)	
Total operating expenses		(70,632)		(85,834)
Operating result		**2,805**		**(898)**
Interest received	5		13	
Interest paid	(196)		(386)	
		(191)		(373)
Share of after tax profit of associate		184		321
Result on ordinary activities before taxation		**2,798**		**(950)**
Tax expense		(448)		532
Result for the period		**2,350**		**(418)**
Minority interests		(22)		(24)
NET RESULT		**2,328**		**(442)**
Basic earnings per depository receipt of share		0.53		(0.10)
Diluted earnings per depository receipt of share		0.53		(0.10)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (x EUR 1,000) 1 JANUARY TO 30 JUNE (x EUR 1,000)				
		2009		**2008**
Result for the period		**2,350**		**(418)**
Net gain on cash flow hedges	242		-	
Income tax	(62)		-	
	180		-	
Adjustments in respect of pension scheme	(411)		(777)	
Income tax	105		199	
	(306)		(578)	
Net income recognised in equity		(126)		(578)
Total comprehensive income (loss) for the period, net of tax		**2,224**		**(996)**
Attributable to:				
Equity holders of the parent		2,202		(1,020)
Minority interests		22		24
		2,224		**(996)**

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (x EUR 1,000) (before profit appropriation)				
		30 June 2009		**31 December 2008**
ASSETS				
Non-current assets				
Property, plant and equipment	58,217		60,405	
Intangible assets	2,012		1,897	
Investment in associate	1,065		1,331	
Other assets	2,548		2,602	
Deferred tax asset	5,237		5,813	
		69,079		72,048
Current assets				
Inventories	23,995		25,639	
Trade and other receivables	23,591		19,440	
Tax receivable	-		663	
Cash and cash equivalents	728		1,750	
		48,314		47,492
Total assets		**117,393**		**119,540**
EQUITY AND LIABILITIES				
Shareholders' equity		87,788		87,764
Minority interests		29		46
Total equity		**87,817**		**87,810**
Non-current liabilities				
Employee benefit liability	411		-	
Deferred tax liabilities	4,280		4,489	
		4,691		4,489
Current liabilities				
Interest-bearing liabilities	12,408		12,593	
Trade creditors	8,748		10,080	
Other tax payable	214		23	
Other short-term liabilities	3,515		4,545	
		24,885		27,241
Total liabilities		**29,576**		**31,730**
Total equity and liabilities		**117,393**		**119,540**

INTERIM CONSOLIDATED CASH FLOW STATEMENT 1 JANUARY TO 30 JUNE (x EUR 1,000)				
		2009		**2008**
Cash flow from Operating activities				
Operating result		2,805		(898)
Adjustments for:				
Depreciation and amortisation	4,105		4,850	
Pensions	46		(777)	
		4,151		4,073
Movements in working capital:				
Trade and other receivables	(4,151)		688	
Inventories	1,644		1,538	
Trade creditors	(1,332)		(3,739)	
Other items	(598)		(1,016)	
		(4,437)		(2,529)
		2,519		646
Finance cost	(265)		(369)	
Finance income	5		13	
Income taxes paid	628		(153)	
		368		(509)
		2,887		137
Cash flow from Investing activities				
Investments in property, plant and equipment	(1,699)		(1,263)	
Investments in intangible assets	(333)		(592)	
Dividends received	486		447	
		(1,546)		(1,408)
Cash flow from Financing activities				
Dividends paid	(2,178)		(4,356)	
Interest-bearing liabilities	(185)		5,753	
		(2,363)		1,397
Decrease in cash and cash equivalents		(1,022)		126
Cash and cash equivalents at 1 January		**1,750**		**1,295**
Cash and cash equivalents at 30 June		**728**		**1,421**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (x EUR 1,000)							
	Sub-scribed and paid up capital	Retained earnings	Other reserves	Result for the year	Total share-holders' equity	Minority interest	Total equity
Balance sheet value at 1 January 2008	**8,712**	**101,811**	**(4,386)**	**2,190**	**108,327**	**58**	**108,385**
Movements in 1st half 2008							
Result for the period	-	-	-	(442)	(442)	24	(418)
Other comprehensive income / (loss)	-	1	(579)	-	(578)	-	(578)
Total comprehensive income		1	(579)	(442)	(1,020)	24	(996)
Paid dividends	-	(2,178)	-	(2,178)	(4,356)	-	(4,356)
Result appropriation	-	12	-	(12)	-	-	-
Paid dividends of subsidiaries	-	-	-	-	-	(50)	(50)
Balance sheet value at 30 June 2008	**8,712**	**99,646**	**(4,965)**	**(442)**	**102,951**	**32**	**102,983**
Balance sheet value at 1 January 2009	**8,712**	**99,646**	**(5,673)**	**(14,921)**	**87,764**	**46**	**87,810**
Movements in 1st half 2009							
Result for the period	-	-	-	2,328	2,328	22	2,350
Other comprehensive income / (loss)	-	-	(126)	-	(126)	-	(126)
Total comprehensive income	-	-	(126)	2,328	2,202	22	2,224
Paid dividends	-	(2,178)	-	-	(2,178)	-	(2,178)
Result appropriation	-	(14,921)	-	14,921	-	-	-
Paid dividends of subsidiaries	-	-	-	-	-	(39)	(39)
Balance sheet value at 30 June 2009	**8,712**	**82,547**	**(5,799)**	**2,328**	**87,788**	**29**	**87,817**

Accounting Policies

The accounting policies applied in the consolidated interim financial statements are the same accounting policies and methods of computation as applied in the annual report 2008.

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 financial statements are presented in euros (EUR) and all values are rounded to the nearest thousand except when otherwise indicated.

In May 2008, the IASB issued its first omnibus of amendments to its standards, primarily with a view to remove inconsistencies and clarifying wording. These amendments did not require retrospective adjustments to any opening balance of components in equity.

The revised Standard IAS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognised income and expense in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. Crown Van Gelder N.V. has chosen to present two linked statements. IAS 1 (revised) uses the terms “statement of income” (previously “profit and loss account”), “statement of financial position” (previously “balance sheet”) and “statement of cash flow” (previously “cash flow statement”) and introduces a “statement of comprehensive income”.

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

The revision of IAS 23 Borrowing Costs is effective for financial years beginning on or after 1 January 2009 and requires capitalisation of borrowing costs that relate to a qualifying asset. The transitional requirements of the standard require it to be adopted as prospective change from the effective date. The company has concluded that the new standard has currently no impact on the financial statements of Crown Van Gelder.

For the calculation of the pension asset and the pension expense, the results are obtained by extrapolation (on a so-called roll forward basis) of the latest actuarial valuation (year end 2008).

Explanatory notes to the accounts

Geographical distribution of total revenue (as a percentage of the total)

	1st half year 2009	**1st half year 2008**
The Netherlands	18	16
Germany	22	23
United Kingdom	11	13
Belgium / Luxembourg	12	14
France	18	15
Other Europe	13	9
Outside Europe	6	10
Total	**100**	**100**

Components of other comprehensive income		
	1st half year 2009	**1st half year 2008**
Cash flow hedges:		
Gains (losses) arising during the year	135	-
Less: Reclassification for gains / (losses) included in the income statement	45	-
	180	-
Pension scheme:		
Gains (losses) arising during the year	(306)	(578)
Less: Reclassification for gains / (losses) included in the income statement	-	-
	(306)	(578)

Property, plant and equipment

During the period ended 30 June 2009 Crown Van Gelder N.V. acquired assets with a cost of EUR 2,032,000 (2008: EUR 1,026,000). There were (no) disposals during this period.

Dividends paid

The Annual General Meeting of Shareholders, held on 23 April 2009, has adopted a cash dividend of EUR 0.50 per depository receipt of share out of the distributable reserves. On 4 May 2009, a total amount of EUR 2.178 million on dividend has been paid out.

Employee benefits costs

In the first half of 2009, employee benefits costs include a net pension expense of EUR 795,500 (2008: net pension benefit EUR 26,500).

Commitments and contingencies

At 30 June 2009, Crown Van Gelder had commitments amounting to EUR 1.4 million relating to various investment projects.

Tax

Tax income in the income statement is positively influenced by the release of EIA (Energy Investment Allowance) amounting to EUR 0.2 million (H1 2008: EUR 0.2 million).

Pensions

The funded status as at 31 December 2008, as included in the notes to the consolidated balance sheet in 2008 financial statements, was based on a best estimate. In the meantime the actual position as at 31 December 2008 has been determined, resulting in a reduction of EUR 9.7 million in the funded status. As a consequence, a pension liability of EUR 0.4 is recognised.

Related party transactions

There have been no significant related party transactions or changes in related party transactions 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 financial year.

Impairment of Property, Plant and Equipment

In 2008, Crown Van Gelder recognised an impairment of EUR 18.5 million. Such adjustment is measured by the amount that the carrying value of such assets exceeds their fair value. For Crown Van Gelder N.V. this impairment represents the write-down of certain property, plant and equipment. As a consequence, future depreciation of such property, plant and equipment will be substantially lower. At the end of each reporting period, Crown Van Gelder assesses whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If, and only if, there has been change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised, will an impairment loss be adjusted. Crown Van Gelder had reviewed these estimates and found them not to have been significantly altered.

Directors' statement of responsibilities

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

1. The 2009 interim consolidated financial information 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.
2. The 2009 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 2009 financial statements.
3. The 2009 interim report describes the principal risks and uncertainties which Crown Van Gelder N.V. is facing, both in the preceding and subsequent six months.

Velsen, 30 July 2009

M. Hartvelt, Chief Executive Officer
M. Dronkers, Chief Operating Officer

Review report

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

Introduction
We have reviewed the accompanying consolidated interim financial information for the 6 month period ended 30 June 2009, of Crown Van Gelder N.V., Velsen, which comprises the statement of financial position as at 30 June, 2009, the income statement, statement of comprehensive income, cash flow statement and the statement of changes in equity for the 6 month period then ended. Management is responsible for the preparation and presentation of this consolidated 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 Entity'. 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 consolidated interim financial information as at 30 June, 2009 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

The Hague, 30 July 2009

Ernst & Young Accountants LLP
Signed by E.J. Pieters