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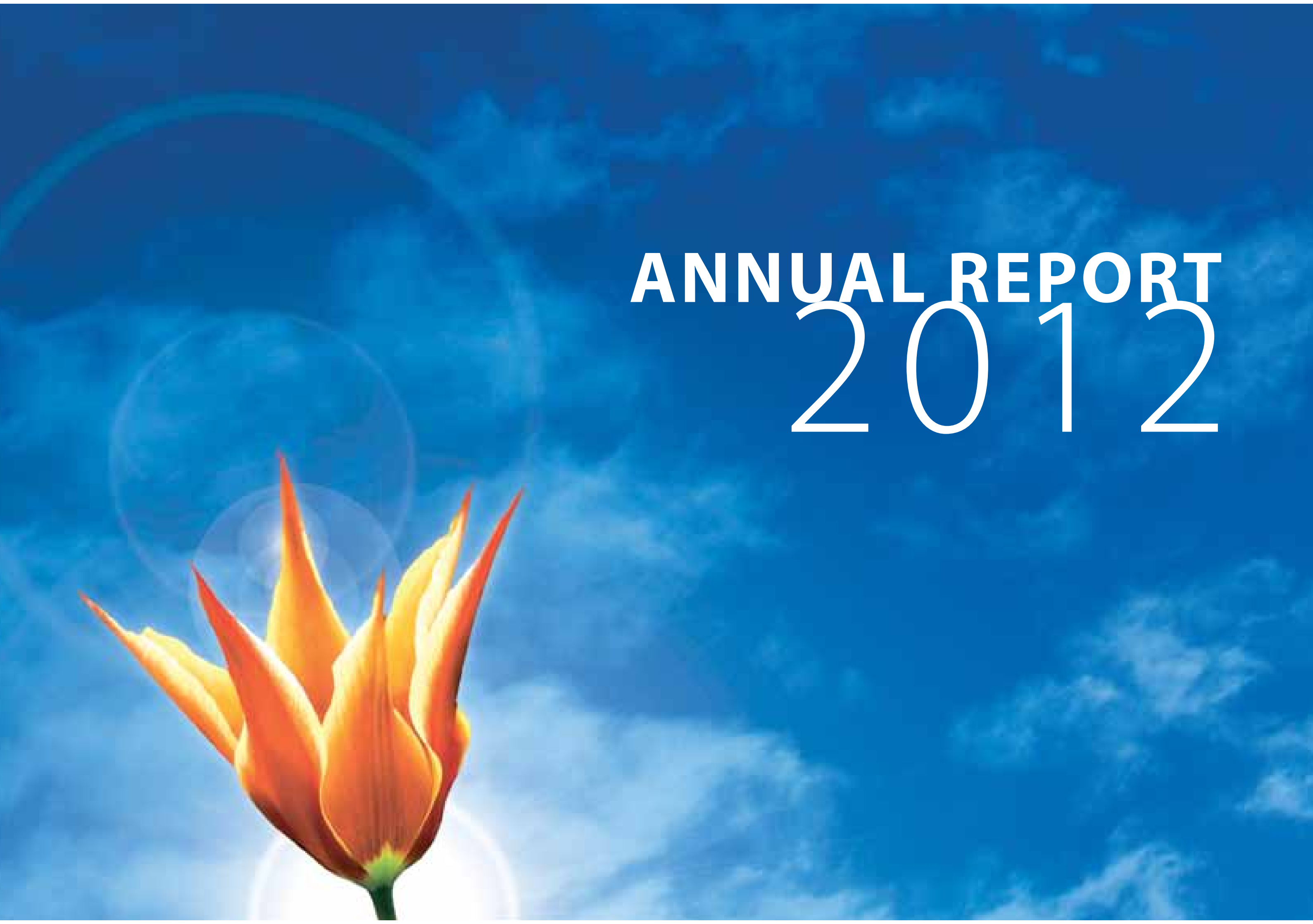
CROWN VAN GELDER



ANNUAL REPORT 2012

CROWN VAN GELDER N.V.

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ANNUAL REPORT 2012

CROWN VAN GELDER N.V.

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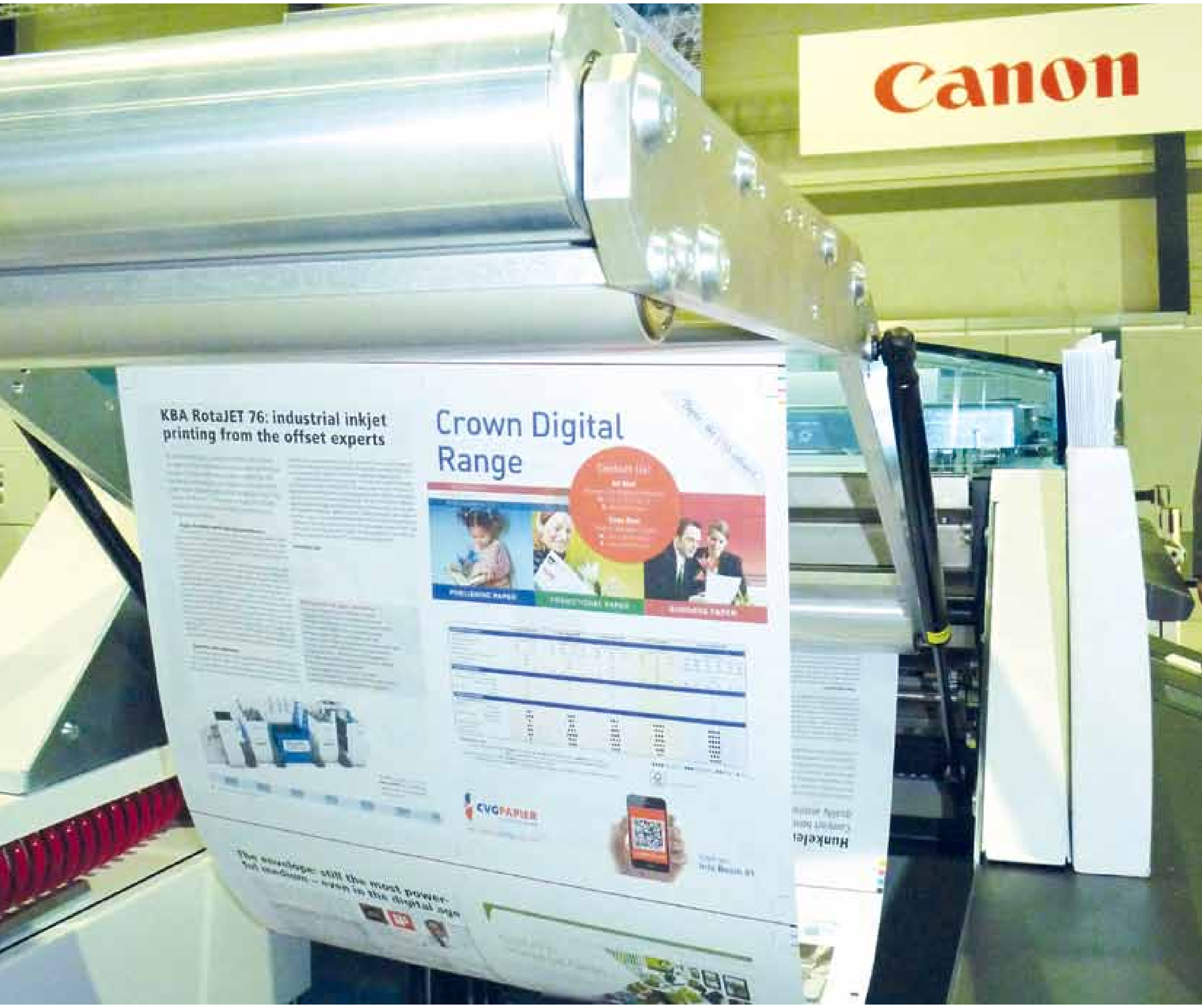

Impressions of the processing of Crown Digital on the high-speed inkjet printers of several OEM's at Drupa 2012 and the Hunkeler Innovation Days 2013

COMPANY PROFILE
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COMPANY PROFILE

Based in Velsen, the Netherlands, Crown Van Gelder N.V. is a specialty 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 PE (polyethylene) coating, 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 operates two paper machines. Its products range from 40 g/m^2 to 260 g/m^2 and are mainly distributed in Western Europe.
Crown Van Gelder N.V. is listed on NYSE Euronext Amsterdam (ISIN number: NL0000345452) and registered with the Chamber of Commerce under number 34059938.

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 digital inkjet, label and packaging;
- increase in production efficiency;
- investment in sustainable employability;
- partnerships with other market parties.

KEY FIGURES

EUR x 1,000	*2012*	*2011*	*2010*	*2009*	*2008*
Revenue	166,868	162,292	160,882	144,669	160,780
Operating result[1]	658	(5,217)	(2,830)	5,372	(2,081)
Net result[2]	(24,260)	4,272	(12,909)	4,520	(14,921)
Depreciation	6,113	6,248	8,225	8,275	9,773
Capital expenditure	4,948	3,782	5,091	5,973	6,284
Sales (ton)	216,200	203,100	208,800	198,200	212,200
Production (ton)	215,000	203,900	207,700	197,800	213,300
Workforce (average)	282	292	309	301	291
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] 2008, 2010, 2011 and 2012 operating result excluding non-recurring items.
[2] Net result as reported here is the net annual result available to Crown Van Gelder shareholders, as shown in the consolidated income statement.

The Management Board and the Supervisory Board from left to right:
Han Wagter, Klaas Schaafsma, Emile Bakker, Miklas Dronkers (CEO), Berry Bemelmans (Chairman), Theo Philippa

REPORT OF THE SUPERVISORY BOARD

INTRODUCTION AND PROFIT DISTRIBUTION

We are pleased to present Crown Van Gelder N.V.'s financial statements for 2012, and recommend that the shareholders adopt the financial statements at the Annual General Meeting of Shareholders (AGM). The financial statements have been prepared by the Management Board and audited by PwC.

The Supervisory Board has discussed the financial statements, which report a net loss of EUR 24.2 million, with the Management Board. In light of this loss, the Management Board has decided to forego distributing a dividend for 2012. The planned capital expenditure and expected results for 2013 also played a role in this decision. 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 policies and supervision pursued in 2012.

COMPOSITION AND OPERATING PROCEDURE OF THE SUPERVISORY BOARD

Details of the Supervisory Board's operating procedure and distribution of responsibilities are given 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 at the start of work 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 Supervisory Board increased its size to five members, and temporarily to seven. At the General Meeting of Shareholders held on 16 May 2012, Theo Philippa was appointed as the fifth member of the Supervisory Board. The expansion of the Supervisory Board is consistent with the company's Articles of Association and with the Supervisory Board's Profile. Also during the meeting on 16 May 2012, Emile Bakker was re-appointed as a member of the Supervisory Board.

At the extraordinary general meeting of shareholders that was held on 9 November 2012, Henk van Houtum and Jacques van den Hoven were both appointed as members of the Supervisory Board, bringing the number of its members up to seven. By appointing Van Houtum and Van den Hoven, the Board was anticipating the end of Klaas Schaafsma's last term of office in May 2013. In addition, the current Chairman of the Supervisory Board, Berry Bemelmans, wishes to resign in May 2013, a year before the scheduled end of his last term of office. By accepting his last term he had already indicated that he would not fully serve the four year period. Partly in connection with the strategic review that was completed in recent months, the Board places high value on a thorough orientation period for, and a smooth transfer of duties to, the new Board members.

The Supervisory Board's Profile is used as a basis for selecting new candidates. Keeping the developments at the company in mind, candidate selection focused mainly on those candidates with extensive knowledge of business strategy, marketing and commerce, and the paper industry. 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. When selecting the candidates for the recently vacated seats on the Supervisory Board, a female candidate who met the desired profile was discussed, but she proved to be unavailable for a position on Crown Van Gelder's Supervisory Board.
When filling future vacancies, the Board will continue to strive to identify female candidates and nominate them for appointment at the AGM. 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 under review, the Supervisory Board met eight times with the Management Board and four 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. Special attention was devoted to the development of potential future partnerships and the strategic review that was part of 'Focus 2016'.

Among the issues discussed internally by the Supervisory Board were the company's strategy, operational performance and results, business risks, 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 reports and other sustainability issues relevant to the company were discussed.

The Supervisory Board, without the Management Board attending, reviewed its own performance and that of the individual members, including the frequency of attendance at Board meetings. This was done on the basis of a performance checklist. The Supervisory Board notes that its composition is well-balanced, with all of the desired disciplines being represented. Both within the Supervisory Board itself and with the Management Board, the atmosphere is open and encourages discussion, and there are sufficient opportunities for the members to act as sounding boards for one another. The Supervisory Board also discussed Management Board performance, including its delivery on agreed performance indicators.
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 2012.

In 2012 the Audit Committee comprised Supervisory Board members Wagter (Chairman) and Bakker, who were elected for their financial expertise. Emile Bakker transferred his duties as part of the Audit Committee to Theo Philippa with effect from 20 September 2012. Mr. Philippa has broad financial expertise. The Audit Committee met twice in 2012 to discuss the 2011 financial statements and 2012 half-year results, and the interpretation of IFRS standards, particularly those concerning the financial reporting of the settlement of the former pension scheme and the periodic impairment calculation, as these have a considerable impact on Crown Van Gelder's financial 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 Supervisory Board agreed with that recommendation.

Although the Board's membership was expanded to five members and temporarily to seven members in 2012, our view is that, given the company's transparent organisational structure, no other committees needed to be set up to perform any subactivities. 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.

CORPORATE GOVERNANCE

At the AGM in May 2012, the issue of corporate governance was raised with the shareholders. The clarification of Management Board variable pay 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 October 2012, 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.

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.

The draft reports on the 2012 shareholders' meetings were posted for comments on the company's website for three months. After expiry of this period, the reports were adopted by the Supervisory Board and the final version published on the 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 our website.

The meetings with the auditors addressed the company's results and related matters, the change to the pension scheme, impairment calculations, risk statement, annual auditor's board report, and ICT issues.

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. He also attended the AGM, where he was granted the opportunity to address the meeting.

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 2012 financial year was the first one in which PwC audited the annual financial statements. The shareholders' meeting had been previously informed about the tender procedure that preceded the change in auditor. This change was part of the company's anticipation of new laws, which have since entered into force, regarding the need for listed companies to alternate the firms they engage to audit their financial statements.

REMUNERATION OF THE MANAGEMENT BOARD

Current and future 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. The Management Board remuneration is based on a Hay Group report in which pay levels are published for equivalent positions (peer group). Instructions to review the remuneration proposal were issued by, and the review findings reported to, the Supervisory Board Chairman only.

The effect on remuneration ratios within the company were taken into consideration when establishing the total remuneration amount.

Given that the existing remuneration policy had been recently evaluated, taking into account the company's risk profile, salary trends both in the Netherlands and abroad and corporate governance developments, the Supervisory Board decided that the existing remuneration policy would remain unchanged for the next financial year. The Board does not expect there to be any changes in this policy for the foreseeable future. The entire remuneration policy can be viewed on the company's website.

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%).

Score for targets in 2012	*Fixed (in EUR)*	*Variable (in EUR)*	*Total (in EUR)*
Low (15% score)	185,000	27,750	212,750
Average (30% score)	185,000	55,500	240,500
High (45% score)	185,000	83,250	268,250

Management Board remuneration 2012

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

REPORT OF THE SUPERVISORY BOARD

The amount of the variable component depends on the company's return on equity and 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, the introduction of new markets and products, safety, production volume and management development. The variable component may never exceed 45% of the fixed component.

At the beginning of each evaluation period (i.e. every year), the Supervisory Board determines the targets and measures referred to above. These are commercially sensitive 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.

Given the results achieved under extremely difficult market conditions, the Supervisory Board decided to grant the Management Board variable remuneration of EUR 32,560 (17.6% of the fixed remuneration) over 2012.
Please see the financial statements for 2012 (as included in the Annual Report 2012) 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, new products, productivity 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 that the company had to endure in 2012. The Supervisory Board notes that the company's response to these conditions and the ongoing strong competition in the paper industry has been adequate. The company's policy continues to prioritise devoting attention to the powerful marketing of recently developed products with clear market potential and the growth in sales of products with higher added value. The Board notes that structural changes will continue to put pressure on the total demand for paper in Europe, as a result of which the company will have to be very alert, result-oriented and extremely flexible, as well as vigilant about keeping operating costs down.

Along with the Management Board, the Supervisory Board notes that European economic recovery is taking longer than was initially anticipated. The economic growth in other parts of the world has resulted in increases in the costs of raw materials and energy, and Crown Van Gelder can pass only a part of these increases on to its customers. The downward adjustment of future profit forecasts has resulted in a decrease in the value of the company's fixed assets and deferred tax assets, at the expense of the result for 2012. These decreases have been approved by the Supervisory Board.

COMPANY POLICY

The company's strategic policy and objectives are presented in 'Mission 2012'. The policy document covers commercial, financial, sustainability and social issues. Building the company into a strong niche player and shifting its focus to products with higher added value, primarily by developing customised paper grades, form the backbone of Crown Van Gelder's strategy.
Since 2011, Crown Van Gelder has been working with a corporate financial advisor in actively seeking out partnership opportunities with other market players in an effort to expedite the company's

return to the desired level of profitability. The extensive search has not led to any specific results, but the company stays focused on the possibility of partnerships. The active search for a partner was discontinued in October 2012.

In 2012, the company carried out a strategic review designed to establish the company's mission and objectives for the period through 2016. The results of this review are laid down in 'Focus 2016'. The company will continue to build on its core strengths, particularly its customer-oriented service and operational flexibility. Crown Van Gelder's commercial strategy will focus on three core areas (digital inkjet, label and packaging) to better enable itself to distinguish its business and activities from those of its competitors.

Crown Van Gelder has also made changes to the sales organisation to further optimise its approach to both its markets and its customers. These changes 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 on the various markets.

The Supervisory Board was intensively involved in the strategic review and the preparation of 'Focus 2016'. 'Focus 2016' has the full backing of the Supervisory Board.

FINAL NOTE

The Supervisory Board notes that the company reported a slight operating profit (exclusive of one-off items) for 2012. The company did a good job of anticipating market opportunities with its recently developed new products, and 'Focus 2016' lays a solid foundation for the achievements of its ambitions for the coming period. In 2013, Crown Van Gelder will specifically focus on increasing growth in the core areas of digital inkjet, label and packaging, which provide a higher added value for both the customer and our company than the more traditional graphics products. Another key goal for 2013 will be further increasing productivity.

Velsen, the Netherlands, 21 March 2013

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

REPORT OF THE MANAGEMENT BOARD

SUMMARY

Results for 2012

Crown Van Gelder's net profit for 2012 amounted to EUR 1.2 million, exclusive of non-recurring, non-cash items amounting to EUR 25.4 million (net) that were deducted from the 2012 net result. This was a significant improvement over the net loss (exclusive of non-recurring items) of EUR 3.5 million in 2011. The return to profitable operations in 2012 was attributable to a higher sales volume, a sharp increase in the sales of recently developed (NBD) products and lower pulp costs.

The net result inclusive of one-off items for 2012 was affected by an impairment charge of EUR 20.4 million and an impairment of the deferred tax asset by EUR 5 million. Non-recurring income of EUR 7.8 million net was recognised in 2011 as a result of a change to the pension scheme. The loss, inclusive of one-off items, came to EUR 24.2 million compared to the EUR 4.3 million profit achieved in 2011.

In 2012, sales rose by 13,100 ton to 216,200 and production rose by 11,100 ton to 215,000 ton. Despite unfavourable market developments, sales increased by 6% over 2011, although the order volume in the European market for woodfree uncoated paper on reels fell by 9%. The increase in sales of recently developed products in particular contributed to the company's strong market performance. The total sales of NBD products in 2012 amounted to 67,000 ton, an increase of 30% over 2011.

Costs of raw materials and energy

Crown Van Gelder was still able to profit from low pulp prices in the first few months of 2012. Pulp prices fell in the second half of 2011 after having reached a record level in the middle of that year. Pulp prices rose sharply again in the course of the first half of 2012. On balance, the average pulp price fell by 9% in comparison with 2011.
Energy costs remained virtually unchanged in 2012 because energy prices had been fixed at the same level as 2011.

Strategy review and 'Focus 2016'

Since 2006, Crown Van Gelder has developed a broad product range thanks to its New Business Development (NBD) programme. In the past year, thorough market studies were made into the future prospects for the existing and recently developed product portfolios. Starting in 2013, the company will specifically focus on niche products with substantial prospects for growth. We will continue to build on our core strengths – customer-oriented service, innovativeness and operational flexibility – with the 'Focus 2016' strategy concentrating on the following four priorities:

- Commercial focus on digital inkjet, label and 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 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.

Prospects for 2013

Our goal for 2013 is to generate 20,000 ton in extra sales of digital inkjet, label and packaging niche products. To this end, the sales organisation was recently reorganised to be more market-oriented, sharpening our focus and creating specialisation. At the same time, we invested in our commercial strength.

In early 2013, Crown Van Gelder's order book was full and we were running at full capacity, and our objective is to increase sales and productivity to 220,000 ton. How sales will develop in 2013 will partly depend on the European economy, which is looking fairly grim at the moment. We will actively try to increase sales prices as a result of rising pulp and energy costs.

OPERATING REVIEW

Results

In 2012 revenue increased by almost EUR 5 million to EUR 167 million. Sales amounted to 216,200 ton in 2012, up 6% on 2011, when the company sold 203,100 ton. Output was 215,000 ton in 2012, up more than 5% on 2011, when the company produced 203,900 ton.
In the first half of 2012, Crown Van Gelder benefited from the recovery of the European paper market. The sentiment on the market improved significantly in comparison with the bleak situation in the second half of 2011, when low order volume meant that Crown Van Gelder was not operating at full production capacity. The usual slack in the order book during the summer of 2012 was less pronounced than in previous years, although fewer orders were received after the holiday period than is normally the case. The permanent drop in the demand for graphics paper, the economic recession and uncertainty about economic prospects have dampened the mood on the market.

Despite these unfavourable market developments, Crown Van Gelder operated at full production capacity throughout the year. Operating profit, exclusive of non-recurring items, came to EUR 0.7 million in 2012, an improvement of EUR 5.9 million on the operating loss of EUR 5.2 million reported in 2011. At the end of 2012, 18,800 ton of finished products were in stock, a somewhat lower level than the previous year (2011: 20,000 ton). Crown Van Gelder supplied 70.5 GWh of electricity to the public grid, generating EUR 4.1 million in revenues (2011: 81.8 GWh and EUR 4.1 million).

A new pension scheme, which qualifies as a CDC (collective defined contribution) scheme, was implemented with effect from 1 January 2012. The new contract will lead to more stable and more predictable pension charges under IFRS from 2012 onwards. The new arrangements also led to a pension settlement (of EUR 7.8 million net) in the 2011 financial statements, with the pension benefit obligation previously recognised in the balance sheet being removed from the books. With effect from 2012, the pension charges recognised as income will be equal to the amount in actual pension contributions paid by Crown Van Gelder.

On 31 December 2012, 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 20.4 million on tangible fixed assets, following impairment losses totalling of EUR 33.5 million in 2008 and 2010. Please refer to the financial statements in the Annual Report 2012 for more detailed information.

Market developments

Total sales of reels by European paper manufacturers on the woodfree uncoated (WFU) paper market – the market where Crown Van Gelder operates – declined overall by 9% compared to 2011 (2011: -8%; 2010: +2%). Crown Van Gelder's sales volume was up 6% on 2011. Accordingly, the company saw its market share increase. The average selling price was down 3% on 2011, primarily as a result of the continuing stringent competition on our markets, where decreases in pulp prices quickly lead to lower selling prices.

The increase in NBD sales was the primary contributor to Crown Van Gelder's strong market performance. The company has focused a great deal of its efforts on marketing these products, which we realise a higher profit margin on than we do on traditional graphics products. The sales of NBD products in 2012 amounted to 67,000 ton, an increase of 30% over 2011.

Crown Van Gelder has expanded its customer base by offering speciality products for high-speed full-colour inkjet printers. The sales of paper for these digital print applications have grown substantially, which will further bolster our position as a leader on this market. This was confirmed in May 2012 at the Drupa, the largest international paper and print industry trade fair in the world. Crown Van Gelder introduced Crown Digital Silk at this trade fair. Crown Digital Silk's silky surface delivers outstanding prints in vibrant colours.
In February 2013, Crown Van Gelder and HP signed a partnership agreement under which both companies will collaborate in the worldwide 'ColorPRO' marketing and quality program for inkjet papers. This agreement will further strengthen Crown Van Gelder's leading position in the market for digital inkjet printing.

The present economic situation and customer insolvency can negatively impact Crown Van Gelder's results. As was the case in 2011, very few outstanding claims were written off as bad debts in 2012.

Pulp prices

Worldwide, the demand for pulp in 2012 was up 3% on 2011. Demand from China was up 13%, while demand was down by 1.3% in Europe, 0.8% in North America and 9.7% in Japan. This brought China's demand up to 23% of the total demand for market pulp. Continuing growth in China propped up the general pulp price index for the first half of the year.

NBSK (northern bleached softwood kraft) rose slightly from USD 830 per ton in January 2012 to USD 855 per ton in April/May 2012, after which it dropped to USD 760 at the end of September. A temporary decrease in the demand in China and a stronger US dollar were the primary reasons for this drop. In euro, the NBSK price rose from EUR 640 to 675 at the end of May, after which it dropped to EUR 585 in mid-September. During the fourth quarter, the price recovered, to USD 810/EUR 620 at year-end 2012, down EUR 20 on the price at year-end 2011.

The market for short-fibre pulp, which is a more important market for Crown Van Gelder's products, was markedly stronger, with prices rising from USD 650 per ton in early 2012 to USD 785 at the end of June, after which, due to the impact of falling long-fibre pulp prices, prices dropped to USD 750 in late September, only to rise again to USD 775 at the end of December 2012. The prices in euro went from EUR 500 to EUR 640 in July, hitting their low of EUR 575 in September and ending 2012 at EUR 595, EUR 95 up on the previous year.

On balance, the average pulp price for Crown Van Gelder was down 9% on 2011, amounting to a cost reduction of EUR 7.6 million.

Earnings per share and profit appropriation
In 2012 net earnings per depository receipt were a loss of EUR 5.57 (2011: profit of EUR 0.98). Excluding non-recurring items, the net profit per depository receipt in 2012 was EUR 0.26 (2011: a loss of EUR 0.81).

The Management Board, with approval of the Supervisory Board, will propose to shareholders to pass the 2012 dividend, due to the adverse 2012 bottom line financial results. The scheduled capital expenditure and various uncertainties regarding the development of results in 2013 also played a role in this decision.

CAPITAL EXPENDITURE

Capital expenditure totalled EUR 4.9 million in 2012 (2011: EUR 3.8 million). The expenditure was lower than expected as a result of a shift in capital expenditure from the end of 2012 to the beginning of 2013. The lion's share of the capital expenditure in 2012 related to the necessary replacement of machines and systems. In 2013, capital expenditure is expected to total approximately EUR 9 million. This expenditure encompasses a large part of the expenditure for the periodic revamp of the combined heat and power plant. This overhaul took place at the end of 2012, but the related payments will not be made until the project is completed in April 2013.

Capital expenditure made in 2012 was funded from cash flow and existing lines of credit supplied by financial institutions. At year-end 2012, Crown Van Gelder had total outstandings of EUR 5.5 million at the bank.

Crown Van Gelder's solvency ratio stood at 66% of the balance-sheet total (2011: 71%). The company's financial position is adequate to implement its investment plans and fund its working capital. We are taking the necessary steps to be able to respond to the challenging economic conditions.

SUSTAINABILITY REPORT

We believe sustainability reporting contributes to enhancing Crown Van Gelder's profile as a transparent and progressive company. Our reporting comprises a concise sustainability report on key issues and events that informs shareholders about the progress we have made on delivering our ten objectives set out in 'Mission 2012'. The sustainability report for 2012 (published in the Dutch language) will also devote attention to the targets formulated in 'Focus 2016'. In addition, a more detailed sustainability report is available on the company's website, compiled according to the Global Reporting Initiative's G3.1 guidelines.

REPORT OF THE MANAGEMENT BOARD

The 2011 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 (CSR) Reporting. Crown Van Gelder N.V. ranked 30th out of nearly 500 Dutch companies involved in the review. This effectively put the company in third place in the league table for the manufacturing industry.
Below, we discuss our objectives set out in 'Mission 2012' that are not covered elsewhere in this report.

Our focus on customer service and service levels continues to be an area for improvement. We are pleased to report that we achieved a considerable improvement on 2011, with a total of 2.24 complaints per 1,000 ton of products sold (2011: 2.5). Once every two years, we gauge customer satisfaction among our key accounts together representing more than 50% of our revenue. The last survey was taken in November 2011, with our clients awarding us a satisfaction score of 7.6 (2009: 7.3).

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. Depending on the economic conditions, 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). In 2012, the relevant authority approved our EEP for 2013-2016. Our energy management system was also awarded ISO 50001 certification. Crown Van Gelder is one of the first companies in the Netherlands to achieve such certification.

All of the pulp Crown Van Gelder uses is sourced from sustainably managed forests. In 2012, 78% of the pulp used came with an FSC or PEFC chain-of-custody certificate (2011: 79%).

We want our staff to be well-trained and have the required skills and expertise to be employed in a wide variety of positions. This increases the quality of the work they do and their satisfaction with the jobs they hold, and ensures long-term employability. Customised training was provided in the production department by furnishing competency-oriented on-the-job training.

RESEARCH AND DEVELOPMENT

Crown Van Gelder's technical department is responsible for research and development, focusing on products and processes. In terms of product development, the company generally works in close consultation with customers, original equipment manufacturers (OEMs), and suppliers to the paper industry. In 2006, in order to accelerate the successful introduction of new products, we put in place our New Business Development (NBD) concept, into which product development was fully integrated. The pilot runs are scheduled into the regular production programmes of both paper machines.

We are also taking part in several projects relevant to the Dutch paper industry as a whole. Part of the Paper Industry Energy Transition Plan, these are working groups that focus on saving energy and materials in the production process. In 2010, the company launched a pilot project to convert a fibre-containing residue stream into lactic acid, a raw material used in bioplastics. Carried out under the Paper Industry Energy Transition Plan, the project is funded by the Dutch government and third parties. In 2011 two small-scale tests were carried out, the results of which were so positive that we believed fibre material from the process waste water could be converted to polylactic acid on an industrial scale. In 2012, the project was discontinued because Crown Van Gelder's residue stream was too small to justify the related capital expenditures.

ORGANISATION AND EMPLOYEE BENEFITS

Workforce

At the end of 2012, Crown Van Gelder employed 284 staff, compared to 285 staff at the end of 2011.

In 2012 there was one accident that resulted in absenteeism (2011: 5); the employee in question did not suffer a permanent injury and missed 7 days of work. The number of accidents with no resulting absenteeism dropped to 23 (2011: 29). The total number of accident reports also decreased, to 83 (2011: 111). In December 2012, Crown Van Gelder won the Second Prize in the occupational health and safety category at the awards conferred by the Koninklijke Vereniging van Nederlandse Papier- en Kartonfabrieken (Royal Netherlands Paper and Board Association); our high score was primarily attributable to the sharp drop in accidents resulting in absenteeism.

After a serious industrial accident in 2011, the company decided to install extra shielding in the drying units of both paper machines. This project was completed in 2012, substantially reducing the risk of employees coming into contact with rotating parts when the paper machine is being cleaned or paper is being fed through it.

Absence due to illness dropped from 6.7% in 2011 to 5.2% in 2012. Crown Van Gelder is still dealing with employees who have long-term illnesses not related to their jobs. We hope to be able to welcome them back to our crew very soon. An extensive package of measures is aimed at supporting employees' health and fitness, effectively reducing illness-related absences. The topic of the sustainable employability of our staff will continue to be a high-priority item on our agenda, and plans in this respect are being made with trade organisations.

For information on Crown Van Gelder's corporate governance structure, reference is made to pages 82 to 89 of this Annual Report, which are to be considered integral part of this report of the Management Board.

Employee benefits

On 19 December 2011, a new 12-month collective agreement was made with the trade unions. Effective 1 January 2012, the new agreement provides for a new pension scheme. In light of the company's financial performance, it was also agreed that no initial pay rise would be granted in 2012.

On 11 December 2012, Crown Van Gelder made a new collective agreement for a one-year term beginning on 1 January 2013. This collective agreement includes agreements regarding a permanent pay rise of 1.5% with effect from 1 January 2013. Depending on the development of net saleable production for the first half of 2013, an additional permanent pay rise by a maximum of 0.5% will come into effect on 1 July 2013.

INVESTOR RELATIONS

At Crown Van Gelder, we set great store by maintaining good relationships with existing and potential depository receipt holders. We regularly report on developments relevant to investors, and organise meetings twice a year with analysts, who issue reports on the issues discussed. In addition, we hold many meetings 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.

We publish our official financial statements in English and issue a condensed report in Dutch, as well as releasing a sustainability report in Dutch, that relates the progress we make in the field of corporate social responsibility (CSR). The annual reports and the agenda for the Annual General Meeting of Shareholders will be available on our website from 25 March 2013.

RISK MANAGEMENT

Sensitivity analysis

Key factors affecting Crown Van Gelder's financial performance include selling prices, production and sales volumes, pulp prices, the euro/dollar 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 2012 financial statements):

	EUR million
Selling prices of paper	16 / (16)
Production and sales volumes	4 / (4)
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.

Activities in 2012

In 2012 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 2012. These reviews were conducted during internal audits (19 sessions), external audits (ISO 9001/14001 re-certification, ISO 50001 certification and OHSAS 18001 interim audit), and internal reviews. 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 board 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.

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 the risks and opportunities as they arise, and we consider this response to be part of our normal business operations.

The permanent changes in 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 in 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.

We have continued to roll out our NBD (New Business Development) programme to strengthen our position as a niche player, and maintain and improve our market position. In 2012, in order to strengthen Crown Van Gelder's market position in the long run, the company joined forces with a corporate finance advisor to investigate the opportunities for entering into a strategic partnership. The study did not lead to any concrete partnership opportunities, but Crown Van Gelder remains open to the possibility of entering into strategic, commercial and/or technological partnerships with other parties.

Based on the commercial strategy detailed in 'Focus 2016', and with an eye towards increasing our commercial strength, the 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 digital inkjet, label and packaging markets.

The company keeps 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 regularly attend seminars to be informed of the latest market surveys and developments. The company's 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.

Operational risks
Commodity prices – pulp and energy prices, in particular – are major cost items. Most of Crown Van Gelder's key non-integrated competitors are facing the same challenges.

Depending on the price of pulp expected in the short term, the company may decide to reduce or increase its stocks of pulp. In 2012, in order to mitigate price uncertainty and the upward price risks to some extent, Crown Van Gelder continued to hedge some of its pulp purchases. The company is 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. The strategy is to enter into framework contracts with energy suppliers or consumers between one and three years in advance. Depending on the market and price developments expected by experts, the company decides when the energy prices will have to be determined for all or part of the contractual term.

Starting in 2013, Crown Van Gelder will have to buy approximately half of its CO_2 emission allowances on the market in order to be able to satisfy its 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. In early 2012, the operations department underwent a number of organisational changes with a view to achieving the company's production targets. The company also instituted a continuous improvement programme in 2012, which intensively focuses on increasing operational efficiency (OEE) and reducing rejection by following the 'first time right' principle. Crown Van Gelder expects to be able to increase productivity in the coming years as a result, using the existing production configuration and deploying the current number of staff. To analyse failures and problems, the company uses a standard method that has been used as a basis for introducing a variety of measures. To minimise the risks, Crown Van Gelder has 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 and will remain in place so as to improve our performance even further.

Crown Van Gelder is a small player in the 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. Five core competencies have been identified to guide personnel management. In 2012 tools were developed to embed these core competencies more strongly in company policy. The company has 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 company policy to ensure the health and safety of our staff as well as any third parties directly or indirectly engaged in its business activities. Crown Van Gelder is also committed to supporting sustainable business operations and controlling their direct and indirect impact on the environment. The company regularly conducts risk surveys and risk assessments of its operations. Where necessary, Crown Van Gelder takes appropriate measures to ensure the health and safety of its staff and third parties, and mitigate the environmental impact of its operations.

Financial risks
Crown Van Gelder is exposed to a variety of financial risks. Due to the economic recession and developments on the financial markets, the availability of funds and working capital constitutes a major risk. In the light of the company's present capital base, expected cash flows, and the flexibility of its investment programme, the company believes that it has appropriate measures in place to address this risk. In 2013 extra attention will be given to working capital control as well as working capital reduction, where possible.
The new pension contract that entered into effect on 1 January 2012 led to better predictability of the outgoing cash flow and the company's pension contributions.

The company is also exposed to exchange rate fluctuations. Because Crown Van Gelder sells part of its products in British pounds sterling, and procures a substantial portion of its 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 the company's operating performance. Crown Van Gelder partly hedges its exposure to USD and GBP currency fluctuations.

Since Crown Van Gelder operates in a niche market, it serves a small number of large customers, which may affect the company's revenue, profit, and working capital. As far as credit risk is concerned, Crown Van Gelder prefers 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 Crown Van Gelder's credit risk insurance policy, any insolvency of its customers may adversely affect the company's financial performance.

Compliance risks
As Crown Van Gelder faces rapidly changing laws on, among other things, financial reporting, health and safety, and the environment, the company runs 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. Crown Van Gelder maintains 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 its production facilities and combined heat and power plant, and adversely affect the company's 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.

Crown Van Gelder is also aware of other external risks, such as terrorism and disasters in the direct vicinity of its premises. The measures and procedures designed to mitigate any damage arising from internal and external disasters are embedded in a business continuity plan. This plan 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 rating.

STRATEGY REVIEW AND 'FOCUS 2016'

Since the financial and economic crisis of 2008, the European economy has shrunk, and little or no economic growth is expected for the foreseeable future. The graphics paper market has also been hit as the result of the digitisation of society. The permanent shift from hard copy to soft copy has been hastened by the recent recession. Crown Van Gelder focuses on niches that do not attract the 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 we have implemented over the last seven years, we now have a broad, modern range of new products. In the past year, thorough market studies were made into the future prospects for the existing and recently developed product portfolios. Starting in 2013, the company will specifically focus on the following niche products with substantial prospects for growth:

- **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 at manufacturers that produce label fronts (the labels themselves) and/or backings. Our goal is to increase the number of our customers in this market and to bolster our market position.

- **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.

On 8 February 2013, we presented our 'Focus 2016' strategy, which details Crown Van Gelder's plans and ambitions for the period 2013-2016. Over the next four 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 depository receipt holders. We will continue to build on our core strengths – customer-oriented service, innovativeness and operational flexibility – with the 'Focus 2016' strategy concentrating on the following four priorities:

- **Commercial focus on digital inkjet, label and 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 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.

As at 1 January 2013, our sales department was transformed into a goal-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.

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 we have been unsuccessful in achieving our return objective in recent years, the broadening of our product range, our plans for the next few years and our ambitions should enable us to go back to an adequate rate of return. We will also be able to resume attractive dividend payments 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 intends to distribute a dividend of 50% of its net profit fully in cash. Dividend payments will depend on the need to fund replacement investments ('free cash flow'), keeping in mind the company's continuity and its credit limit.

PROSPECTS FOR 2013

Starting in 2013, Crown Van Gelder will focus on the digital inkjet, label and packaging niches, which will contribute to our results. Our goal for 2013 is to generate 20,000 ton in extra sales of these niche products.

In early 2013, Crown Van Gelder's order book was full and we were running at full capacity, and our objective is to increase sales and production to 220,000 ton. How sales will develop in 2013 will partly depend on the development of the European economy, which is looking fairly grim at the moment. We will actively try to increase sales prices as a result of rising pulp and energy costs.

Due to tightness in the global pulp market during the first half of 2013, pulp prices are expected to move upward. In the second half of the year, the market will see new pulp capacity in South America, and this development will likely result in a decrease in pulp prices.

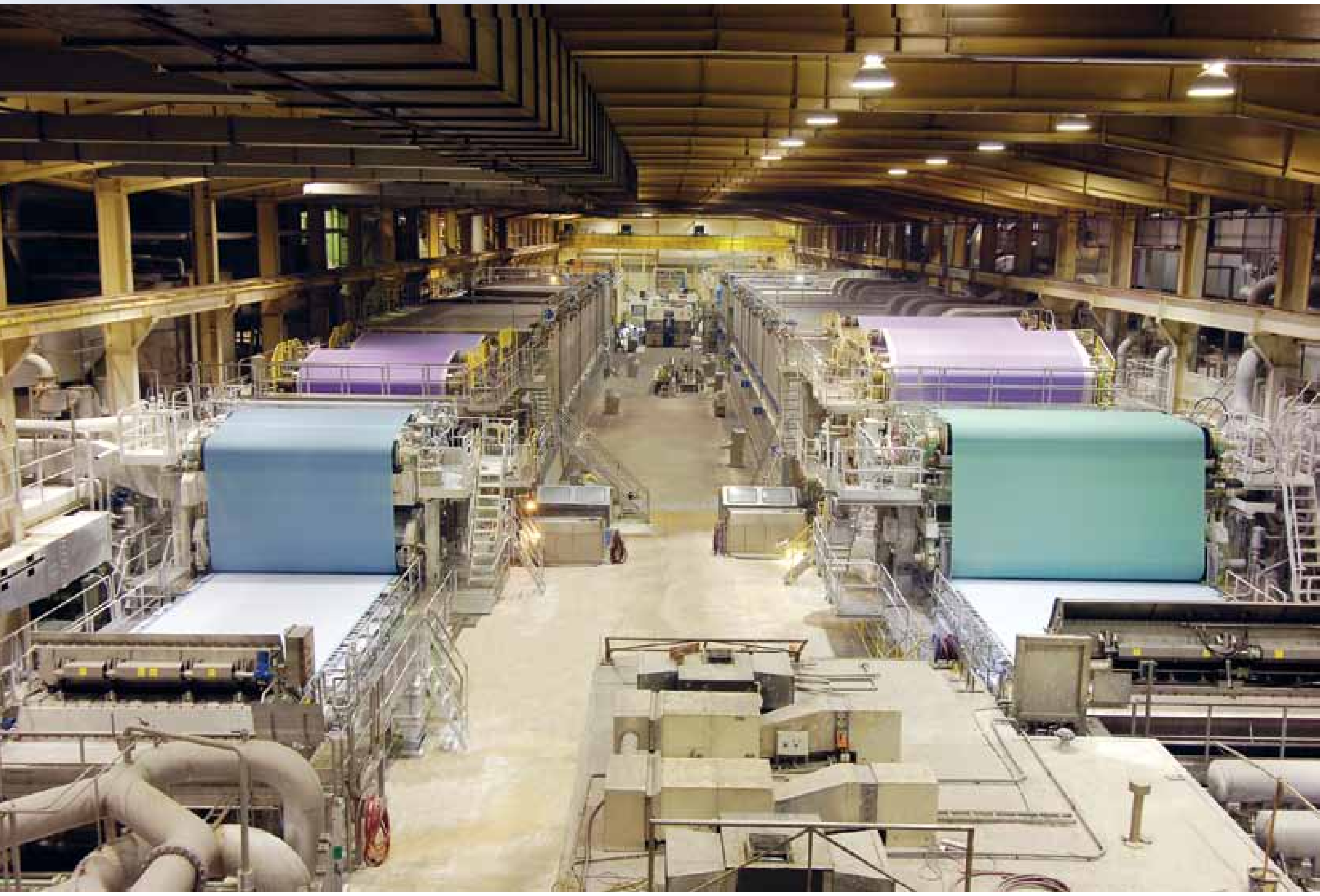
The end of 2012 also saw the termination of energy contracts, which had fixed energy prices that were significantly lower than the market price. Starting in January 2013, Crown Van Gelder will be facing market prices for natural gas that are approximately 25% higher than the prices we paid in 2012. For the time being, the company has decided to keep gas prices floating in anticipation of possibly lower market prices for gas in future, keeping in mind the influence of bleak forecasts regarding the European economy.

In 2013, capital expenditure is expected to total approximately EUR 9 million. This expenditure encompasses a large part of the expenditure for the periodic revamp of the combined heat and power plant. This overhaul took place at the end of 2012, but the related payments will not be made until the project is completed in April 2013. This capital expenditure can be funded from the operating cash flow and the available lines of credit.

The company's results for 2013 will depend, amongst other things, on the general economic forecast for Europe, the demand for paper, selling prices, pulp prices, energy prices and exchange rate fluctuations. Given all these uncertainties, Crown Van Gelder is not in the position to give an outlook for the development of results in 2013.

Velsen, the Netherlands, 21 March 2013

Miklas Dronkers
Chief Executive Officer



FINANCIAL STATEMENTS 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Before profit appropriation)

EUR x 1,000	*Note*	*31 December 2012*		*31 December 2011*	
ASSETS					
Non-current assets					
Property, plant and equipment	(1)	17,002		38,114	
Intangible assets	(2)	808		1,262	
Investment in associate	(3)	1,354		1,375	
Deferred tax assets	(4)	5,119		10,172	
Other assets	(5)	2,165		2,274	
			26,448		**53,197**
Current assets					
Inventories	(6)	31,687		29,006	
Trade and other receivables	(7)	13,845		19,241	
Cash and cash equivalents	(8)	261		431	
			45,793		**48,678**
Total assets			**72,241**		**101,875**
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Subscribed and paid-up capital	(9,10)	8,712		8,712	
Retained earnings	(10)	63,498		59,226	
Other reserves	(11)	-		198	
Result for the year	(10)	(24,260)		4,272	
			47,950		**72,408**
Non-controlling interests	(10)		**43**		**53**
Total equity			**47,993**		**72,461**
Non-current liabilities					
Tax accrual	(13)		2,901		3,324
Current liabilities					
Interest-bearing liabilities	(14)	5,536		9,961	
Trade creditors	(15)	10,494		10,185	
Taxation and social security contributions		19		105	
Other short-term liabilities	(16)	5,298		5,839	
			21,347		**26,090**
Total liabilities			**24,248**		**29,414**
Total equity and liabilities			**72,241**		**101,875**

CONSOLIDATED INCOME STATEMENT

EUR x 1,000	Note		2012		2011
Revenue	(17)		**166,868**		**162,292**
Costs of transport contracted out		(7,929)		(7,347)	
Raw materials, consumables and energy	(18)	(115,558)		(116,837)	
Change in inventories of finished goods	(19)	(335)		(1,472)	
Employee benefits cost excluding settlement	(20)	(21,359)		(21,743)	
Depreciation and amortisation	(21)	(6,113)		(6,248)	
Other expenses	(22)	(14,916)		(13,863)	
Total operating expenses			(166,210)		(167,510)
Operating result before settlement DB pension plan and impairment			**658**		**(5,218)**
Settlement DB pension plan	(12)		-		10,403
Impairment on Property, plant and equipment	(1)		(20,400)		-
Operating result after settlement DB pension plan and impairment			**(19,742)**		**5,185**
Finance income		13		3	
Finance costs		(171)		(433)	
Net finance costs	(28)		(158)		(430)
Share of profit of associate			380		408
Result before tax			**(19,520)**		**5,163**
Income tax expense	(23)		(4,704)		(845)
Result for the year			**(24,224)**		**4,318**
Result for the year attributable to:					
Owners of the parent			(24,260)		4,272
Non-controlling interests			36		46
Result for the year			**(24,224)**		**4,318**
Basic earnings (in EUR) per depository receipt of share	(24)		(5.57)		0.98
Diluted earnings (in EUR) per depository receipt of share	(24)		(5.57)		0.98

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR x 1,000	*Note*		*2012*		*2011*
Result for the year			**(24,224)**		**4,318**
Other comprehensive income					
Net gains / (losses) on cash flow hedges	(29)	(264)		171	
Income tax effect		66		(43)	
			(198)		128
Actuarial losses in respect of pension scheme	(12)	-		(5,345)	
Income tax effect		-		1,336	
			-		(4,009)
Other comprehensive income for the year, net of tax			**(198)**		**(3,881)**
Total comprehensive income for the year, net of tax			**(24,422)**		**437**
Total comprehensive income for the year attributable to:					
Owners of the parent			(24,458)		391
Non-controlling interests			36		46
Total comprehensive income for the year, net of tax			**(24,422)**		**437**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR x 1,000		*2012*		*2011*
Operating activities				
Operating result after settlement DB pension plan and impairment on Property, plant and equipment		(19,742)		5,185
Adjustments for:				
Impairment on Property, plant and equipment	20,400		-	
Depreciation and amortisation	6,113		6,248	
Pension accounting	-		(9,582)	
		26,513		(3,334)
Movements in working capital:				
Trade and other receivables	5,396		(2,122)	
Inventories	(2,681)		2,773	
Trade creditors	309		2,272	
Other items	(712)		196	
		2,312		3,119
		9,083		4,970
Interest paid	(239)		(429)	
Interest received	13		4	
Income taxes paid	(8)		(36)	
		(234)		(461)
Net cash flow from operating activities		**8,849**		**4,509**
Investing activities				
Investments in Property, plant and equipment	(4,948)		(3,756)	
Investments in intangible assets	-		(26)	
Dividends received	400		375	
Net cash flow used in investing activities		**(4,548)**		**(3,407)**
Financing activities				
Dividends paid	(46)		-	
Interest-bearing liabilities	(4,425)		(1,001)	
Net cash flow used in financing activities		**(4,471)**		**(1,001)**
Increase / (decrease) in cash and cash equivalents		**(170)**		**101**
Cash and cash equivalents at 1 January		**431**		**330**
Cash and cash equivalents at 31 December		**261**		**431**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR x 1,000	*Subscribed and paid-up capital*	*Retained earnings*	*Other reserves (note 11)*	*Result for the year*	*Total*	*Non-controlling interests*	*Total equity*
At 1 January 2011	**8,712**	**84,792**	**(8,578)**	**(12,909)**	**72,017**	**83**	**72,100**
Result for the period	-	-	-	4,272	4,272	46	4,318
Other comprehensive income	-	-	(3,881)	-	(3,881)	-	(3,881)
Total comprehensive income	**-**	**-**	**(3,881)**	**4,272**	**391**	**46**	**437**
Result appropriation	-	(12,909)	-	12,909	-	-	-
Dividends non-controlling interests	-	-	-	-	-	(76)	(76)
Settlement DB pension plan	-	(12,657)	12,657	-	-	-	-
At 31 December 2011	**8,712**	**59,226**	**198**	**4,272**	**72,408**	**53**	**72,461**
At 1 January 2012	**8,712**	**59,226**	**198**	**4,272**	**72,408**	**53**	**72,461**
Result for the period	-	-	-	(24,260)	(24,260)	36	(24,224)
Other comprehensive income	-	-	(198)	-	(198)	-	(198)
Total comprehensive income	**-**	**-**	**(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

Crown Van Gelder N.V. is a company domiciled in Velsen, The Netherlands. The registered office of the company is also Velsen. The company produces and sells high quality industrial and graphical speciality products in the woodfree uncoated and single-coated paper sector and currently employs around 280 people. The company operates two paper machines and its product portfolio includes customised solutions for self-adhesive labels and base paper grades that are coated, metallised or provided with a PE (polyethylene) coating, 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 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 pages 27 to 77 were authorised for issue by the Management Board on 21 March 2013.

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.

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%

IFO B.V. can not be classified as a joint venture. There is no contractual agreement whereby Crown Van Gelder N.V. and IFO B.V. undertake an economic activity that is subject to joint control.

Reference is made to note 26 concerning the related party disclosures.

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 are stated at cost less accumulated depreciation and impairment losses. 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 if appropriate.

Intangible assets

Intangible assets comprise computer software. This 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'.

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 is impaired. 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 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. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- raw materials: purchase cost on a first-in, first-out basis;
- 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 on hand.

Deferred tax assets

Deferred income tax relates primarily to 1) carry forward of unused tax losses and 2) future tax payable on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and that for corporate income tax purposes. 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 relate to temporary differences between the financial reporting valuation and tax valuation of items in the balance sheet. 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.

Share capital

Share capital consists of ordinary shares and preference shares.

Employee benefit liability

On 19 December 2011 an agreement was reached with trade unions on the new pension plan which characterises as a Collective Defined Contribution (CDC) plan. As of 1 January 2012 the pension scheme has changed from a defined benefit pension plan to a defined contribution plan. This change eliminated all further legal or constructive obligations of Crown Van Gelder for all the benefits provided under the pension plan. As a result of a settlement, Crown Van Gelder had no employee benefit liability on the balance sheet as from 31 December 2011. The gains on the settlement were recognised in the 2011 income statement.

Until 19 December 2011 the pension scheme qualified as a defined benefit pension plan. IAS 19 required recognition in the statement of financial position of a defined benefit asset or liability. Crown Van Gelder recognised actuarial gains and losses in the period in which they occurred and gains and losses were recognised outside the income statement, in other comprehensive income. The actuarial gains and losses were presented in a statement of changes in equity titled 'Consolidated Statement of Comprehensive Income'.

As from 1 January 2012 the pension scheme characterises as a defined contribution plan. For this plan the company pays contributions to De Eendragt Pensioen N.V. on a contractual basis. 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.

The employee benefits plans are insured with De Eendragt Pensioen N.V. This company administers the pension scheme for the Crown Van Gelder employees.

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

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. 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.
Crown Van Gelder's financial assets include cash and short-term deposits, 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, energy price movements and commodity price fluctuations.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

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 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 instruments

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
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 determines the classification of its financial liabilities at initial recognition.
Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable transaction costs.
Crown Van Gelder's financial liabilities include trade and other payables, bank overdraft, loans and borrowings and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

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.

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.

We refer to note 27 concerning the disclosure of the financial instruments.

Revenue
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.
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.

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.

CORPORATE INCOME TAX

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

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:

Estimated impairment of 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).

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 (note 4).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2012, the following changes, subdivided into effective and not yet effective, have been reviewed and, if found applicable, have lead to consequential changes to the accounting policies and other note disclosures:

New and amended standards adopted by the company

There are no IFRSs of IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2012 that have a material impact on the financial statements of the company.

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 2012, 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 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities 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). The amendments do not address which items are presented in OCI.

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 or US GAAP.

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 29 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 and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015. 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. The company does not expect any impact on its financial position or performance and intends to adopt IFRS 10 no later than the accounting period beginning on or after 1 January 2014.

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.

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 intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2014.

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. The amendment becomes effective for annual 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 2011	22,147	184,059	1,832	2,777	210,815
Additions	-	-	-	3,756	3,756
Transfers	74	2,987	42	(3,103)	-
Disposals	-	(1,648)	(34)	-	(1,682)
At 31 December 2011	**22,221**	**185,398**	**1,840**	**3,430**	**212,889**
Depreciation					
At 1 January 2011	17,627	151,535	1,495	-	170,657
Disposals	-	(1,648)	(34)	-	(1,682)
Depreciation for the year	513	5,187	100	-	5,800
At 31 December 2011	**18,140**	**155,074**	**1,561**	**-**	**174,775**
Book value					
At 1 January 2011	**4,520**	**32,524**	**337**	**2,777**	**40,158**
At 31 December 2011	**4,081**	**30,324**	**279**	**3,430**	**38,114**
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**

In 2012 the company recognised an impairment charge of EUR 20.4 million. The events and circumstances that led to the recognition of the impairment charge were the prolonged below-target return on capital employed, as became particularly clear in the second half of 2012. The recovery from the economic downturn in Europe takes longer than initially anticipated. 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 a strong increase in energy prices in 2013. 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 2012 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 and is assessed by Crown Van Gelder N.V. as one cash generating unit.

The company has based its cash flow projections on its business plans (among others the approved budget for 2013 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 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 from the 2013 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 (including underlying EUR/USD exchange rate developments), (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 10.6% (prior year 10.5%). 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 2012 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	(3.6) million	4.1 million
Pulp price	1.0%	(9.9) million	9.9 million
Gas price	5.0%	(12.8) million	12.7 million
Paper selling price	0.5%	8.8 million	(8.9) million
Sales volume	2.0%	10.4 million	(10.5) million
EBITDA	EUR 5 / ton	12.0 million	(12.1) 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 2012 was nil (2011: 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 2011	2,525	29	2,554
Additions (acquired)	-	26	26
Transfers	29	(29)	-
At 31 December 2011	**2,554**	**26**	**2,580**
Amortisation			
At 1 January 2011	869	-	869
Amortisation for the year	448	-	448
At 31 December 2011	**1,318**	**-**	**1,318**
Book value			
At 1 January 2011	**1,656**	**29**	**1,685**
At 31 December 2011	**1,236**	**26**	**1,262**
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**

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	*2012*	*2011*
At 1 January	1,375	1,342
Share of result	379	408
Dividends received	(400)	(375)
At 31 December	**1,354**	**1,375**

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*
2012					
International Forwarding Office B.V.	4,385	1,755	2,507	931	50
2011					
International Forwarding Office B.V.	4,516	2,018	2,405	814	50

DEFERRED TAX ASSETS (4)

The deferred tax assets relate to the following:

EUR x 1,000		*2012*		*2011*
Deferred tax assets				
Property, plant and equipment	2,729		1,458	
Pension	-		(12)	
Derivative in effective hedge	-		(66)	
Inventories	-		(360)	
		2,729		1,020
Tax losses available for offset against future taxable profits		2,390		9,152
At 31 December		**5,119**		**10,172**

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.

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 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.

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 result in an additional impairment on the deferred tax asset of EUR 0.2 million.

Further, the tax effect of EUR 5.1 million due to the impairment loss on Property, plant and equipment in 2012 of EUR 20.4 million is not recognised as a deferred tax asset on the balance sheet.

Deferred tax assets have been valued at expected future tax-rates (25.0% for 2012) 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 2011	**11**	**(580)**	**(24)**	**1,061**	**9,666**	**10,134**
(Charged)/credited to income statement	1,447	220	-	(2,409)	(514)	(1,256)
(Charged)/credited to other comprehensive income	-	-	(42)	1,336	-	1,294
At 31 December 2011	**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**

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

EUR x 1,000	*2012*	*2011*
Movements charged or credited directly to other comprehensive income		
Cash flow hedging	66	(43)
Pension accounting	-	1,336
Total	**66**	**1,293**

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	*2012*	*2011*
At 1 January	2,274	2,383
Allocated to the income statement	(109)	(109)
At 31 December	**2,165**	**2,274**

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	*2012*	*2011*
Raw materials	14,828	11,606
Other materials	5,338	5,544
Finished goods	11,521	11,856
At 31 December	**31,687**	**29,006**

TRADE AND OTHER RECEIVABLES (7)

Trade and other receivables can be detailed as follows:

EUR x 1,000	*2012*	*2011*
Trade receivables	13,170	18,375
Other receivables	317	569
Accrued income and prepayments	358	297
At 31 December	**13,845**	**19,241**

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 2012, trade receivables at nominal value of EUR 431 (2011: EUR 494) were impaired and fully provided for.

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

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

EUR x 1,000	*2012*	*2011*
At 1 January	494	402
Charge for the year	177	260
Utilised	-	-
Unused amounts reversed	(240)	(168)
At 31 December	**431**	**494**

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*
2012	**13,170**	11,802	1,368	-	-	-	-
2011	**18,375**	16,951	1,424	-	-	-	-

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.

At 31 December 2012, the company held three forward exchange contracts (2011: six). Reference is made to note 27.

CASH AND CASH EQUIVALENTS (8)

Cash and cash equivalents can be detailed as follows:

EUR x 1,000	*2012*	*2011*
Cash at bank and in hand	261	431
At 31 December	**261**	**431**

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)	*2012*	*2011*
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

Thousands	*2012*	*2011*
Ordinary shares	871.2	871.2
Preference shares	-	-
At 31 December	**871.2**	**871.2**

EQUITY (10)

EUR x 1,000	*Subscribed and paid-up capital*	*Retained earnings*	*Other reserves (note 11)*	*Result for the year*	*Total*	*Non-controlling interests*	*Total equity*
At 1 January 2011	**8,712**	**84,792**	**(8,578)**	**(12,909)**	**72,017**	**83**	**72,100**
Net gains / (losses) on cash flow hedges	-	-	128	-	128	-	128
Actuarial losses in respect of pension scheme	-	-	(4,009)	-	(4,009)	-	(4,009)
Result for the period	-	-	-	4,272	4,272	46	4,318
Total comprehensive income	**-**	**-**	**(3,881)**	**4,272**	**391**	**46**	**437**
Result appropriation	-	(12,909)	-	12,909	-	-	-
Dividends non-controlling interests	-	-	-	-	-	(76)	(76)
Settlement DB pension plan	-	(12,657)	12,657	-	-	-	-
At 31 December 2011	**8,712**	**59,226**	**198**	**4,272**	**72,408**	**53**	**72,461**
Net gains / (losses) on cash flow hedges	-	-	(198)	-	(198)	-	(198)
Result for the period	-	-	-	(24,260)	(24,260)	36	(24,224)
Total comprehensive income	**-**	**-**	**(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**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OTHER RESERVES (11)

EUR x 1,000	*Actuarial gains / losses*	*Cash flow hedge reserve*	*Total*
At 1 January 2011	**(8,648)**	**70**	**(8,578)**
Movements in 2011			
Employee benefits			
Actuarial losses in respect of the pension scheme	(4,009)	-	(4,009)
Settlement DB pension plan	12,657	-	12,657
Net gains on cash flow hedges			
Charge for the year	-	572	572
Allocated to the income statement	-	(444)	(444)
At 31 December 2011	**-**	**198**	**198**
Movements in 2012			
Net gains on cash flow hedges			
Charge for the year	-	(264)	(264)
Allocated to the income statement	-	66	66
At 31 December 2012	**-**	**-**	**-**

Nature and purpose of the other reserves

Actuarial gains and losses
The reserve has been created for the recognition of actuarial gains and losses in other comprehensive income. All amounts are recorded net of tax.

Cash flow hedge reserve
The cash flow hedge reserve at the end of 2011 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 31 December 2011. In 2012 the underlying contract was settled. Reference is made to note 27.

EMPLOYEE BENEFIT LIABILITY (12)

As of 1 January 2012 the pension scheme changed from a defined benefit pension plan to a defined contribution plan. This change eliminated all further legal or constructive obligations of Crown Van Gelder for all the benefits provided under the pension plan as from 19 December 2011, when agreement was reached with trade unions on the new pension plan which characterises as a Collective Defined Contribution (CDC) plan. As a result of a settlement, Crown Van Gelder has no employee benefit liability on the balance sheet as from 31 December 2011. The gains of the settlement of EUR 10.4 million were recognised in the 2011 income statement. Until 19 December 2011 the pension scheme qualified as a defined benefit pension plan.

The reconciliation of the funded status can be detailed as follows:

EUR x 1,000	*2011*
Defined benefit obligation (DBO) at 31 December	-
Plan assets at 31 December	-
Employee benefit liability at 31 December	-

The reconciliation of the present value of the defined benefit obligation can be detailed as follows:

EUR x 1,000	*2011*
Defined benefit obligation (DBO) at opening balance	109,940
Service cost (including employee contributions)	2,459
Interest cost	5,576
Actuarial (gains) / losses	-
Benefits paid	(5,497)
Settlement DB pension plan	(112,478)
Defined benefit obligation (DBO) at 31 December	-

The reconciliation of the fair value of the plan assets can be detailed as follows:

EUR x 1,000	*2011*
Plan assets at opening balance	105,702
Expected return on plan assets	5,164
Actuarial gains / (losses)	(5,345)
Contributions	2,051
Benefits paid	(5,497
Settlement DB pension plan	(102,075)
Plan assets at 31 December	-

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The amount of the pension plan settlement recognised in the income statement 2011 can be detailed as follows:

EUR x 1,000	*2011*
Settlement DBO	112,478
Settlement plan assets	(102,075)
Total net effect of pension plan settlement	**10,403**

The movements in the net pension asset / (liability) can be detailed as follows:

EUR x 1,000	*2011*
Net pension liability at 1 January	(4,238)
Contributions paid	1,440
Net pension expense recognised in the income statement	(2,260)
Recognition in other comprehensive income	(5,345)
Settlement DB pension plan	10,403
At 31 December	-

The net pension expense recognised in the income statement can be detailed as follows:

EUR x 1,000	*2011*
Current service costs	1,849
Interest on obligation	5,576
Expected return on plan assets	(5,165)
Total net pension expense	**2,260**

The cumulative amount of actuarial gains and losses can be detailed as follows:

EUR x 1,000		*2011*
At 1 January		(11,534)
Actuarial losses recognised in the 'Consolidated Statement of Comprehensive Income'	(4,009)	
Recognised in deferred tax assets	(1,336)	
Settlement DB pension plan	16,879	
		11,534
At 31 December		-

The history of experience gains and losses can be detailed as follows:

EUR x 1,000	*2011*	*2010*	*2009*	*2008*
The present value of the defined benefit obligation	-	(109,940)	(96,237)	(93,189)
The fair value of plan assets	-	105,702	92,931	102,542
Funded status	-	(4,238)	(3,306)	9,353
Experience gains / (losses) on plan liabilities				
Amount	-	603	53	(3,379)
Actuarial return less expected return on plan assets				
Amount	(5,345)	11,250	(11,189)	(9,319)

TAX ACCRUAL (13)

The tax accrual relates to the following:

EUR x 1,000	*2012*	*2011*
Tax accrual		
EIA tax allowance	2,901	3,324
At 31 December	**2,901**	**3,324**

The tax accrual at 31 December 2012 comprises an amount of EUR 2.9 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	*2012*	*2011*
Movements credited to the income statement		
EIA tax allowance	423	423
Total	**423**	**423**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

INTEREST-BEARING LIABILITIES (14)

The company has credit facilities at its disposal up to EUR 35 million. These 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%. The credit facilities are committed until further notice.

At the end of 2012 an amount of EUR 5.5 million of these credit facilities was used.

TRADE CREDITORS (15)

Trade creditors are non-interest-bearing and normally settled within a maximum of 30 days.

OTHER SHORT-TERM LIABILITIES (16)

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

REVENUE (17)

Revenue can be detailed as follows:

EUR x 1,000	*2012*	*2011*
Revenue of paper sales	162,869	158,233
Supply of energy	3,999	4,059
Total	**166,868**	**162,292**

The geographical distribution of paper sales and revenue in 2012 and 2011 were as follows:

In %	*Sales of paper*		*Total revenue*	
	2012	*2011*	*2012*	*2011*
Benelux	23	27	27	30
Germany	21	25	20	24
United Kingdom	9	9	10	9
France	14	14	15	15
Italy	6	6	6	6
Other European countries	9	7	9	7
Other countries	18	12	13	9
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	*2012*	*2011*
Raw materials and consumables	94,326	95,844
Water	500	518
Packaging	2,288	2,211
Energy	18,444	18,264
Total	**115,558**	**116,837**

For the period 2008 until 2012, Crown Van Gelder was allocated 147,933 CO_2 allowances on an annual basis. In 2012 total CO_2 emissions of Crown Van Gelder amounted to around 142,000 ton. The market value of the accumulated surplus CO_2 allowances at 31 December 2012 is around EUR 0.2 million.

CHANGE IN INVENTORIES OF FINISHED GOODS (19)

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

EUR x 1,000	*2012*	*2011*
Finished goods at 1 January	11,856	13,328
Finished goods at 31 December	11,521	11,856
Total	**(335)**	**(1,472)**

EMPLOYEE BENEFITS COSTS (20)

The employee benefits costs can be detailed as follows:

EUR x 1,000	*2012*	*2011*
Wages and salaries	15,135	15,693
Social security contributions	2,024	1,936
Other staff costs	2,350	1,854
Pension expense DC plan	1,850	-
Net pension expense DB plan	-	2,260
Total	**21,359**	**21,743**

For more information on the settlement of the DB pension plan of EUR 10,403,000 in the 2011 accounts and a breakdown of the net pension expense we refer to note 12 concerning the employee benefit liability.

The average number of employees in 2012 was 282 (2011: 292).

DEPRECIATION AND AMORTISATION (21)

The depreciation and amortisation can be detailed as follows:

EUR x 1,000	*2012*	*2011*
Depreciation property, plant and equipment	5,659	5,800
Amortisation intangible assets	454	448
Total	**6,113**	**6,248**

OTHER EXPENSES (22)

Other expenses can be detailed as follows:

EUR x 1,000	*2012*	*2011*
Maintenance costs	6,699	5,882
Leasing	339	330
Other operating expenses	7,878	7,651
Total	**14,916**	**13,863**

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		*2012*		*2011*
Current tax				
Current year tax (income) / expense	-		-	
		-		-
Movements in deferred tax				
Carryforward tax losses	1,762		457	
Inventories	(360)		(208)	
Tangible assets	(1,271)		(1,447)	
Pensions	-		2,398	
Impairment of carryforward tax losses	5,000		-	
Adjustments in respect to prior years	(4)		68	
		5,127		1,268
EIA tax allowance		(423)		(423)
Total		**4,704**		**845**

NOTES TO THE CONSOLIDATED INCOME STATEMENT

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

In % and EUR x 1,000		*2012*		*2011*
Result on ordinary activities before taxation		(19,520)		5,163
Less share of result of associate		(380)		(408)
Accounting result before tax		(19,900)		4,755
	In %		*In %*	
Statutory income tax-rate	25.0	(4,975)	25.0	1,188
Non-deductible expenses for tax purposes	-	9	0.3	12
Reduction through tax allowances	2.1	(423)	(8.9)	(423)
Prior year adjustments	-	(7)	1.4	68
Non-recognition of DTA on current year tax losses	(25.6)	5,100	-	-
Impairment of DTA related to prior year tax losses	(25.1)	5,000	-	-
Total effective tax-rate	**(23.6)**	**4,704**	**17.8**	**845**

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:

	2012	*2011*
Result for the year attributable to owners of the parent (EUR x 1,000)	(24,260)	4,272
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)	(5.57)	0.98
Diluted earnings per depository receipt of share (EUR)	(5.57)	0.98
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	*2012*	*2011*
Within one year	378	409
Between one and five years	818	794
Longer than five years	-	121
Total	**1,196**	**1,324**

Capital expenditure commitments

At 31 December 2012, Crown Van Gelder had commitments amounting to EUR 4.7 million (2011: 0.9 million).

Guarantees

There were no bank guarantees issued at the balance sheet date (2011: 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:

NOTES TO THE CONSOLIDATED INCOME STATEMENT

EUR x 1,000	*2012*	*2011*
Outstanding balances as per year-end	328	166
Commission fees during the year	180	181

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	*2012*	*2011*
Miklas Dronkers, Chief Executive Officer, appointed as per 12 May 2011 (Until 12 May 2011 Chief Operating Officer)		
Fixed remuneration	185	175
Variable remuneration	33	-
Pension costs	39	31
Fixed expense allowance	4	7
Total	**261**	**213**

A variable reward system is in force for the remuneration of the Statutory Director, 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% (only applicable for 2012) for the Statutory Director amounts to EUR 5,600.

EUR x 1,000	*2011*
Mees Hartvelt, Chief Executive Officer, retired as per 12 May 2011	
Fixed remuneration	83
Variable remuneration	-
Pension costs	21
Fixed expense allowance	3
Total	**107**

Mr. Hartvelt stepped down as CEO and Statutory Director of the company as per 12 May 2011.

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

EUR x 1,000	*2012*	*2011*
Berry Bemelmans, Chairman	29	29
Emile Bakker	22	22
Jacques van den Hoven	11	-
Henk van Houtum	11	-
Theo Philippa	22	-
Klaas Schaafsma	22	22
Han Wagter	25	25
Total	**142**	**98**

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)

For classification purposes under IFRS 7, all financial instruments, with exception of the derivative financial instruments classified under hedging activities, are categorised as ‘Loans and receivables’.

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 2012, three forward exchange contracts and no commodity forward contracts were outstanding (2011: six contracts respectively one 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 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	*2012*	*2011*
Impact of currency changes on result before tax		
Increase / (decrease) in USD rate		
-5%	(6)	(131)
5%	6	131
Increase / (decrease) in GBP rate		
-5%	(67)	(43)
5%	67	43

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	*2012*	*2011*
Average outstanding balance	6,504	11,817
Finance costs	171	433
Average interest rate %	2.63%	3.66%
Increase / (decrease) in base points		
(50)	33	59
(25)	16	30
25	(16)	(30)
50	(33)	(59)

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 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

EUR x 1,000	*Book value*	*Fair value*
At 31 December 2011		
Financial assets		
Trade and other receivables	19,241	19,241
Derivatives in effective hedge	264	264
Cash and cash equivalents	431	431
Financial liabilities		
Bank overdrafts	9,961	9,961
Trade and other payables	16,129	16,129

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 2012, the company held no commodity forward contract (2011: one).

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

NOTES TO THE CONSOLIDATED INCOME STATEMENT

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

At 31 December 2011 the company held six forward exchange contracts:

Forward exchange contracts	*Exchange rate*	*Expiration date*	*Fair value EUR x 1,000*
Sell			
GBP 500,000	EUR/GBP 0.8568	19 January 2012	15
GBP 200,000	EUR/GBP 0.8556	19 January 2012	6
GBP 300,000	EUR/GBP 0.8364	19 January 2012	-
GBP 350,000	EUR/GBP 0.8556	16 February 2012	10
GBP 350,000	EUR/GBP 0.8443	16 February 2012	4
GBP 300,000	EUR/GBP 0.8369	16 February 2012	1

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	*2012*	*2011*
Financial assets at fair value through profit and loss	148	444
Financial liabilities at fair value through profit and loss	-	-
	148	**444**

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

As at 31 December 2012, Crown Van Gelder held the following financial instrument measured at fair value:

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

EUR x 1,000	*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 ending 31 December 2012, there where no transfers between Level 1 and Level 2 fair value measurements.

EUR x 1,000	*31 Dec 2011*	*Level 1*	*Level 2*	*Level 3*
Derivative in effective hedge				
Commodity forward contract	264	-	-	264
Financial assets / (liabilities) at fair value through profit and loss				
Foreign exchange contracts – non hedged	36	-	36	-

During the reporting period ending 31 December 2011, there where no transfers between Level 1 and Level 2 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 3 financial instruments
Crown Van Gelder N.V. carries a commodity forward contract classified as Level 3 within the fair value hierarchy.
A reconciliation of the beginning to the closing balances disclosing movements separately is disclosed hereafter:

EUR x 1,000	*2012*	*2011*
At 1 January	265	94
Total gains / (losses) in Other Comprehensive Income	(265)	171
At 31 December	-	**265**

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 forecast 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.

NOTES TO THE
CONSOLIDATED INCOME STATEMENT

EUR x 1,000	*< 1 year*	*1 – 5 years*	*> 5 years*	*Total*
2012				
Interest bearing liabilities	5,536	-	-	5,536
Trade payables	10,494	-	-	10,494
Other short-term liabilities	4,078	-	-	4,078
Total	**20,108**	**-**	**-**	**20,108**
2011				
Interest bearing liabilities	9,961	-	-	9,961
Trade payables	10,185	-	-	10,185
Other short-term liabilities	3,913	-	-	3,913
Total	**24,059**	**-**	**-**	**24,059**

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 (28)

Finance income

EUR x 1,000	*2012*	*2011*
Interest from outstanding cash and equivalents	-	-
Interest from non-related parties	13	3
	13	**3**

Finance costs

EUR x 1,000	*2012*	*2011*
Interest on interest bearing-liabilities	171	433

COMPONENTS OF OTHER COMPREHENSIVE INCOME (29)

EUR x 1,000	*2012*	*2011*
Cash flow hedges		
Gains / (losses) arising during the year on commodity forward contract	(346)	572
Reclassification adjustment for gains included in the income statement	148	444
	(198)	**128**

(Before profit appropriation)

EUR x 1,000	Note	31 December 2012		31 December 2011	
ASSETS					
Fixed assets					
Intangible fixed assets	(I)	808		1,262	
Tangible fixed assets	(II)	15,061		32,344	
Financial fixed assets	(III)	8,775		14,003	
			24,644		**47,609**
Current assets					
Inventories	(IV)	31,687		29,006	
Accounts receivable	(V)	14,094		23,338	
Cash and cash equivalents	(VI)	166		289	
			45,947		**52,633**
Total assets			**70,591**		**100,242**
EQUITY AND LIABILITIES					
Shareholders' equity					
Subscribed and paid-up capital	(VII,VIII)	8,712		8,712	
Legal reserve	(VIII)	1,268		1,289	
Retained earnings	(VIII)	62,230		57,937	
Other reserve	(VIII)	-		198	
Result for the year	(VIII)	(24,260)		4,272	
Total equity			**47,950**		**72,408**
Tax accrual	(X)		**2,901**		**3,324**
Short term liabilities					
Interest-bearing liabilities	(XI)	5,536		9,961	
Trade creditors	(XII)	8,916		8,594	
Taxation and social security contributions		-		126	
Other short-term liabilities	(XIII)	5,288		5,829	
			19,740		**24,510**
Total shareholders' equity and liabilities			**70,591**		**100,242**

COMPANY PROFIT AND LOSS ACCOUNT

EUR x 1,000	*2012*	*2011*
Result from subsidiaries and associates	377	411
Other result	(24,637)	3,861
Net result	**(24,260)**	**4,272**

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 2 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.

NOTES TO THE COMPANY BALANCE SHEET

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 2011	22,147	157,958	1,793	2,777	184,675
Additions	-	-	-	3,703	3,703
Transfers	74	2,946	30	(3,050)	-
Disposals at cost	-	(1,619)	(34)	-	(1,651)
Balance sheet at 31 December 2011	**22,221**	**159,285**	**1,789**	**3,430**	**186,725**
Depreciation					
At 1 January 2011	17,627	132,304	1,476	-	151,407
Disposals	-	(1,619)	(34)	-	(1,653)
Depreciation for the year	513	4,024	91	-	4,629
Balance sheet at 31 December 2011	**18,140**	**134,709**	**1,533**	**-**	**154,382**
Book value					
At 1 January 2011	**4,520**	**25,654**	**317**	**2,777**	**33,268**
At 31 December 2011	**4,081**	**24,576**	**256**	**3,430**	**32,344**
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**

FINANCIAL FIXED ASSETS (III)

Financial fixed assets can be detailed as follows:

EUR x 1,000		*2012*	*2011*
Subsidiaries	(A)	137	182
Investment in associate	(B)	1,354	1,375
Other assets	(C)	2,165	2,274
Deferred tax asset	(D)	5,119	10,172
Balance sheet at 31 December		**8,775**	**14,003**

(A) Subsidiaries

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

Balance sheet at 31 December 2011	182
Net result subsidiaries	(3)
Dividends received	(42)
Balance sheet at 31 December 2012	**137**

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.

NOTES TO THE COMPANY BALANCE SHEET

ACCOUNTS RECEIVABLE (V)

Trade and other receivables can be detailed as follows:

EUR x 1,000	*2012*	*2011*
Trade receivables	13,130	18,337
Group companies	487	4,558
Taxation and social security contributions	150	-
Other receivables	327	443
Balance sheet at 31 December	**14,094**	**23,338**

CASH AND CASH EQUIVALENTS (VI)

Cash and cash equivalents can be detailed as follows:

EUR x 1,000	*2012*	*2011*
Cash at bank and in hand	166	289
Balance sheet at 31 December	**166**	**289**

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 2011	**8,712**	**1,256**	**83,536**	**(8,578)**	**(12,909)**	**72,017**
Net gains / (losses) on cash flow hedges	-	-	-	128	-	128
Actuarial gains / (losses) in respect of pension scheme	-	-	-	(4,009)	-	(4,009)
Result for the year	-	-	-	-	4,272	4,272
Total recognised income and expense	**-**	**-**	**-**	**(3,881)**	**4,272**	**391**
Result appropriation	-	-	(12,909)	-	12,909	-
Settlement DB pension plan	-	-	(12,657)	12,657	-	-
Other movements	-	33	(33)	-	-	-
Balance sheet at 31 December 2011	**8,712**	**1,289**	**57,937**	**198**	**4,272**	**72,408**
Net gains / (losses) on cash flow hedges	-	-	-	(198)	-	(198)
Result for the year	-	-	-	-	(24,260)	(24,260)
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**

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

EMPLOYEE BENEFIT LIABILITY (IX)

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

TAX ACCRUAL (X)

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

INTEREST-BEARING LIABILITIES (XI)

We refer to note 14 of the notes to the consolidated statement of financial position.

TRADE CREDITORS (XII)

Trade creditors can be detailed as follows:

EUR x 1,000	*2012*	*2011*
Trade creditors	8,916	8,594
At 31 December	**8,916**	**8,594**

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 are disclosed below:

EUR x 1,000		*2012*		*2011*
Assurance services				
Audit of financial statements	82		99	
Other assurance services	15		-	
		97		99
Other assignments				
Tax assurance	3		14	
Miscellaneous services	1		9	
		4		23
Total		**101**		**122**

INDEPENDENT AUDITOR'S REPORT

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

Report on the financial statements

We have audited the accompanying financial statements 2012 of Crown Van Gelder N.V., Velsen as set out on pages 27 to 77. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2012, the consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2012, the company profit and loss account for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Management Board's responsibility

The Management Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position of Crown Van Gelder N.V. as at 31 December 2012, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements
In our opinion, the company financial statements give a true and fair view of the financial position of Crown Van Gelder N.V. as at 31 December 2012, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements
Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, 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 this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the Report of the Management Board, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Amsterdam, 21 March 2013
PricewaterhouseCoopers Accountants N.V.

Original signed by drs. R. Dekkers RA

DIRECTORS' STATEMENT

The 2012 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 2012 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 2012 financial statements. The 2012 Annual Report describes the principal risks which Crown Van Gelder N.V. is facing.

Velsen, 21 March 2013

Management Board	**Supervisory Board**
Miklas Dronkers, CEO	Berry Bemelmans, Chairman
	Emile Bakker
	Henk van Houtum
	Jacques van den Hoven
	Theo Philippa
	Klaas Schaafsma
	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 2012

The Management Board proposes, with the approval of the Supervisory Board, to forego the dividend for the financial year 2012. The 2012 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. 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 employment 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 one director:
• M. Dronkers (1966)
Mr. Dronkers has been member of the Management Board since 2009.
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 policy 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.

On 16 May 2012, the General Meeting of Shareholders appointed an additional member of the Supervisory Board, bringing the total number of members to five. In view of the strategic review that is carried out by the Management Board, Crown Van Gelder considered it prudent to appoint a fifth Supervisory Board member. The expansion of the Supervisory Board from four to five members is in accordance with the company's Articles of Association and with the profile of the Supervisory Board. Furthermore, the Supervisory Board has since the Extraordinary Meeting of Shareholders of 9 November 2012 been temporarily expanded from five to seven members in anticipation of the retirement of Mr. K. Schaafsma and Mr. H.A.J. Bemelmans as members of the Supervisory Board.
In the light of the aforementioned strategic review, the Management Board and the Supervisory Board attach great importance to a thorough introduction and smooth transfer of responsibilities to the new members of the Supervisory Board. With the resignation of Mr. K. Schaafsma and Mr. H.A.J. Bemelmans as Supervisory Board members, the composition of the Supervisory Board will be brought back to five members after the Annual General Meeting of Shareholders on 16 May 2013.

The Supervisory Board consists of the following seven members:

- K. Schaafsma (1942)
  Member of the Supervisory Board since 2005
- H.A.J. Bemelmans (1944)
  Member of the Supervisory Board since 2006
- 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 2012, the Supervisory Board met on eight occasions with the Management Board and four 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 2012 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 2012. 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.

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 2012.

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 are 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

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 (as amended in December 2008). 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 in case 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 2012 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 2012 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 2012 no such transactions have been reported and this best practice provision has been complied with.
- Best practice provision III.6.5 (regarding dealing with potential conflicts of interest) requires companies to draw up regulations in respect of the ownership of and the conclusion of transactions in securities by the members of the Management Board and the Supervisory Board, other than the securities issued by Crown Van Gelder. In 2009, Crown Van Gelder already had procedural rules in place in respect of the ownership of and the conclusion of transactions in securities by the members of the Management Board. As from 1 January 2011, Crown Van Gelder also has procedural rules in place in respect of the ownership of and the conclusion of transactions in securities by the members of the Supervisory Board. These rules are published on the company's website.

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 2012, 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 Management 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 2012, 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 2012, 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 2012.

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 2012. Looking ahead to 2013, 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 21 March 2013 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 2012 871,201 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:*

Jan Plas S.A.	10.81 %
Parkland N.V.	9.89 %
Navitas B.V.	6.66 %
Stichting Administratiekantoor Arkelhave B.V.	5.75 %

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.

* Pursuant to information obtained from the website of the Netherlands Authority for the Financial Markets <www.afm.nl> on 21 March 2013.

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, 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 subject to the approval of the Supervisory Board, to 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 2012 and the issuance of all preference shares included in the company's authorised share capital that have not (yet) been issued.

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 2012. 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 during the ten trading days preceding the day of repurchase increased by 10%, and, in case of a share, five times the latter 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 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

Berry Bemelmans (1944)
Appointed in 2006, reappointed in 2010, retiring in 2013

Nationality:	Dutch
Post:	Former CEO of Heijmans N.V.
Supervisory posts:	Chairman of the Supervisory Board of De Efteling N.V. Supervisory Director Intergas Energie N.V. Supervisory Director PontMeyer N.V.
Other posts:	Chairman of the Audit Committee of PontMeyer N.V. Chairman of Stichting Administratiekantoor Aandelenbezit VMG Holding
Stockholding Crown Van Gelder:	none

Emile Bakker (1947)
Appointed in 2008, reappointed in 2012, current term until 2016

Nationality:	Dutch
Post:	Former Investment Director Antea Participaties B.V.
Other posts:	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
Post:	Director Strategy and Innovation at Van Houtum B.V.
Supervisory posts:	Chairman Supervisory Board SKR (Child Care Institute Roermond) Chairman Supervisory Board PSW (service provider for developmentally disabled) Member Supervisory Board Better Living Foundation Roermond Member Supervisory Board Environmental Federation Limburg
Other posts:	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 (1952)
Appointed in 2012, current term until 2016

Nationality:	Dutch
Post:	Self-employed company adviser
Supervisory posts:	Chairman Supervisory Board Van Raak Staal Holding B.V. Member Supervisory Board Forward Business Parks N.V. Member Supervisory Board of Noord Brabants Museum
Other posts:	Chairman of Stichting Wetenschappelijk Onderzoek en Opleidingen in de Vastgoedkunde
Stockholding Crown Van Gelder:	none

DIRECTORS OF THE SUPERVISORY BOARD

Theo Philippa (1955)
Appointed in 2012, current term until 2016

Nationality:	Dutch
Post:	Self-employed company advisor
Supervisory posts:	Member Supervisory Board DPW Van Stolk Holding B.V.
	Member Supervisory Board Net Display Systems B.V.
	None
Stockholding Crown Van Gelder:	none

Klaas Schaafsma (1942)
Appointed in 2005, reappointed in 2009, retiring in 2013

Nationality:	Dutch
Post:	Former CEO of Crown Van Gelder N.V.
Other posts:	Member of the Executive Body of the Water Board Hollands Noorderkwartier
Stockholding Crown Van Gelder:	1,010 depository receipts of share

Han Wagter (1949)
Appointed in 2007, reappointed in 2011, current term until 2015

Nationality:	Dutch
Post:	Former CFO of Royal Wessanen N.V.
Other posts:	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
Post:	CEO of Crown Van Gelder N.V.
Other posts:	Board member of the Royal VNP
	Board member VEMW
	Chairman of the Environmental Committee of the Royal VNP
	Member of the Environmental Committee of the CEPI
	Member of Advisory Board Harbour Festival IJmuiden
Stockholding	
Crown Van Gelder:	145 depository receipts of share

The members of the Supervisory Board and the Management Board do not hold options on shares or depository receipts of share in Crown Van Gelder N.V.

STICHTING ADMINISTRATIEKANTOOR CROWN VAN GELDER (TRUST OFFICE)

REPORT 2012

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

During the year under review two regular meetings of the Board of the Trust Office were held. Issues that amongst others have been discussed are the Annual Report 2012, the agenda for the Annual General Meeting of Shareholders (AGM) and Extraordinary General Meeting of Shareholders (EGM) and the semi-annual figures 2012.

The Trust Office was present at the AGM on 16 May 2012. The Trust Office had been granted voting proxies to and/or received voting instructions from 26 holders of depository receipts of shares, representing 32.8% of the total number of votes that could be cast at this meeting. The Trust Office itself was entitled to vote on shares representing 66.9% 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. The Trust Office was also present at the EGM on 9 November 2012. The Trust Office had been granted voting proxies to and/or received voting instructions from 12 holders of depository receipts of shares, representing 40.6% of the total number of votes that could be cast at this meeting. The Trust Office was entitled to vote on shares representing 59.4% 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 EGM.

On 11 October 2012 the Trust Office held a meeting of holders of depository receipts of shares. The meeting was attended by five 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), acting chairman and secretary
- Jan van Hall (financial advisor), 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, chairman Stichting Administratiekantoor aandelen Telegraaf Media Group, chairman of a number of foundations, connected to Staal Bankiers and member 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 2012 amounted to EUR 17,665.

At 31 December 2012, 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.

STICHTING ADMINISTRATIEKANTOOR CROWN VAN GELDER (TRUST OFFICE)

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, 21 March 2013

Henk Koetzier, chairman
Jan van Hall
Wim Lammerts van Bueren
Kees Molenaar

For information:
Stichting Administratiekantoor Crown Van Gelder
P.O. Box 30
1950 AA Velsen
The Netherlands

ADDITIONAL INFORMATION FOR SHAREHOLDERS

DIVIDEND POLICY

As part of the strategic review, the company has reformulated the dividend policy in 'Focus 2016'. 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	*2012*	*2011*	*2010*	*2009*	*2008*
Operating cash flow	2.03	1.04	1.00	2.37	2.46
Net result	(5.57)	0.98	(2.96)	1.04	(3.43)
Dividend[1]	-	-	-	0.50	0.50
Equity[2]	11.02	16.63	16.55	20.21	20.16
Highest closing price	5.79	7.29	8.69	8.72	15.25
Lowest closing price	3.60	3.40	6.25	4.95	5.35
Closing price at year-end	5.55	3.60	7.25	8.10	5.83
Pay-out ratio in %	-	-	-	48	undefined
Price/earnings ratio at year-end	undefined	37	undefined	7.8	undefined
Price/equity ratio in %	50	22	44	40	29

[1] *Dividend 2012 is proposal to shareholders.*
[2] *Equity before appropriation of results.*

ADDITIONAL INFORMATION FOR SHAREHOLDERS

CALENDAR 2013

• 8 February 2013	Press release annual results 2012
• 16 May 2013	Annual General Meeting of Shareholders and trading update
• 26 July 2013	Press release half-year results 2013
• 7 November 2013	Trading update

CALENDAR 2014

• 14 February 2014	Press release annual results 2013
• 15 May 2014	Annual General Meeting of Shareholders and trading update
• 19 May 2014	Ex-dividend listing
• 21 May 2014	Record date
• 26 May 2014	Dividend payment date
• 25 July 2014	Press release half-year results 2014
• 13 November 2014	Trading update

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