



Annual Results 2002

Accell Group N.V.

Amsterdam,
20 February 2003



Agenda

- **Summary results**
- Important developments in 2002
- Accell Group share
- Financials
- Sales & Marketing
- Outlook

Summary results

(x € million)

	2000	2001	2002	
Turnover	203.7	205.6	259.4	26%
Net profit	4.3	5.1	6.8	33%
Profit per share	1.45	1.72	2.06	20%
Solvency*	29%	32%	37.6%	18%
Balance sheet total	96.5	117.5	112.5	-4%

* Excluding subordinated loan NIB

Profit growth

- Focus on sale quality bicycles with an attractive return
- Integration of Winora
- Adaptability of the organisation





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General market developments

- Declining consumer confidence
 - ⇒ Barely growing economy
 - ⇒ Uncertainty about the future
- European market shows decreasing volumes
- Consumers continuously prefer quality



Netherlands

- Market -3% , price mix $+5\%$
- Demand for high quality bicycles
- Market position Accell Group increases
 - ⇒ Marketing efforts Batavus successful
 - ⇒ Koga continues to perform well
 - ⇒ Sparta introduces new electric bicycle



France

- Market slightly declining
- Specialised trade regains ground
- Accell Group is growing
 - ⇒ Lapierre grows through innovation
 - ⇒ Mercier gains market share in wholesale trade as a result of sophisticated marketing techniques and sales support



Germany

- Bad economic climate
- Restrained consumer spending makes it more difficult
- Market volume declines, specifically in specialised trade
- Accell Group performs below expectations:
 - ⇒ Hercules is having trouble due to reserved purchasing organisations
 - ⇒ Winora is performing well in free market
 - ⇒ Satisfactory sale of bicycle components

Production facility Hungary

- Operational as from summer 2002
- Assembly of Hercules and Winora bicycles
- Foothold for further expansion in Eastern Europe
- Start-up costs
- Utilisation of upward potential production capacity





NMa

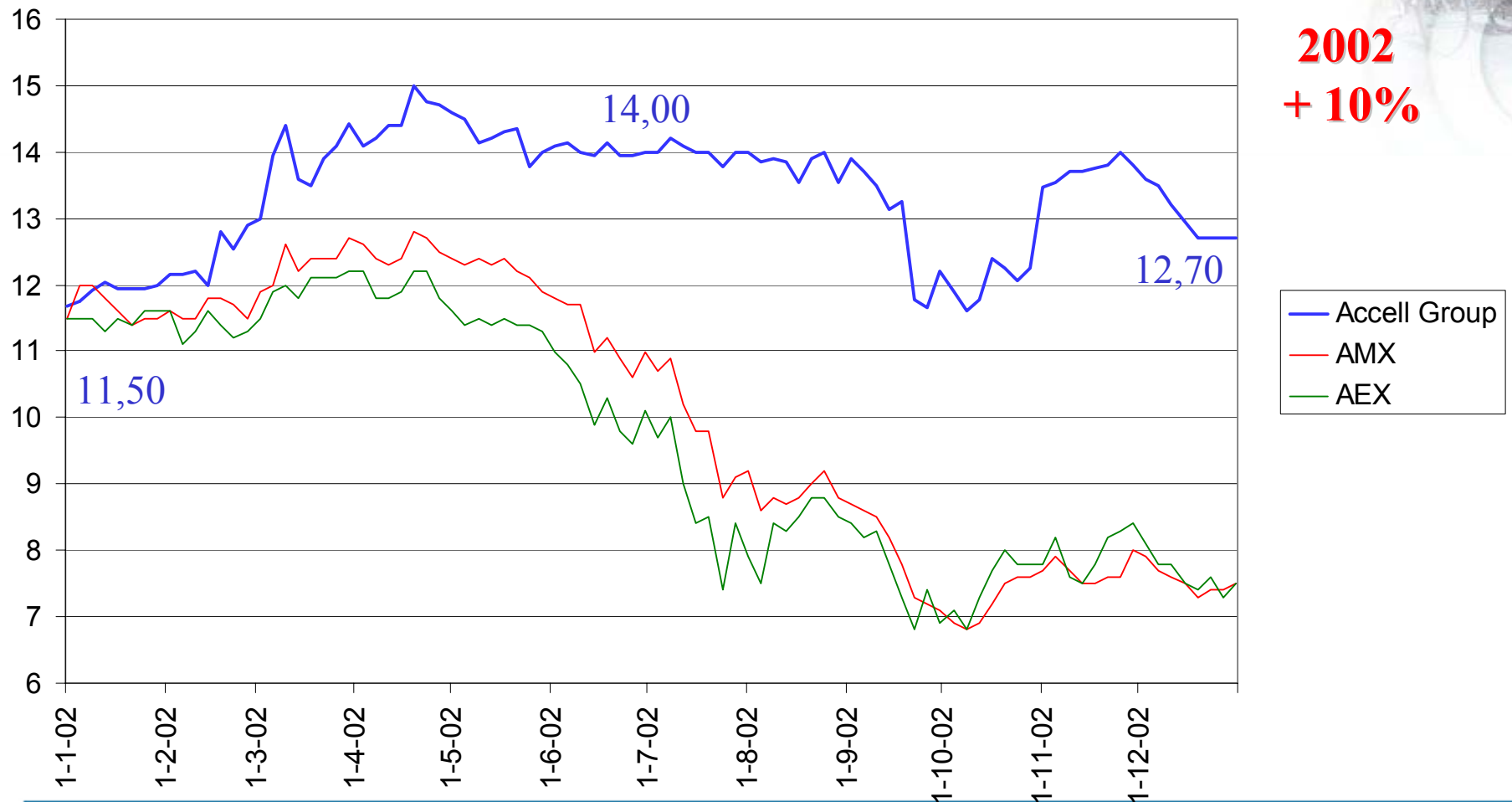
- Investigations started in 2000
 - Report research committee completed
 - Bicycle industry suspected of violating competition regulations
 - Accell Group to get the opportunity to react to content and conclusions
 - NMa will decide on the basis of Accell's reaction
 - Trend of NMa to charge high unsubstantiated penalties
 - In case of a negative decision the bicycle industry can object and appeal (duration 2 – 6 years)
- ⇒ Accell Group categorically disputes the statements of the NMa and expects longlasting legal procedures



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Development share price



Performance share price: 12th

Top 15 Stijgers Aandelen Euronext A'dam

	Slot 2002	Slot 2001	Versch in %
Begaclaim.....	0,63	0,40	57,50
De Vries Robbé Groep	1,55	1,00	55,00
SNT	12,16	8,76	38,81
EVC	1,50	1,19	26,05
Cardio Control.....	5,30	4,35	21,84
CVG, Gem.Bez.	12,80	10,85	17,97
Newconomy	0,22	0,19	15,79
HES Beheer	4,00	3,49	14,61
Sligro.....	40,00	35,00	14,29
AXA Stenman Ind.	14,16	12,50	13,28
Reesink.....	50,00	45,00	11,11
Accell Group	12,70	11,50	10,43
KPN.....	6,20	5,71	8,58
Amsterdam Comm.	2,35	2,20	6,82
DSM	43,38	41,01	5,78

- Bron: NRC Handelsblad

Performance shareprice + dividend





Dividend proposal

- Optional dividend:
 - ⇒ € 0.95 to be accepted in cash or stock
- Total dividend: € 0.95 (2001: € 0.85*)
- Dividend yield: 7.5%* (2001: 7.4%)

* Including stock; based on share price ultimo 2001



Hielke Sybesma

René Takens



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Profit & Loss

(x € million)	2000	2001	2002	
Net turnover	203.7	205.6	259.4	
Cost of materials	131.6	134.0	173.3	66.8%
Other expenses	62.9	60.1	72.3	
EBIT	<u>9.7</u>	<u>11.5</u>	<u>13.8</u>	5.3%
Interest	3.0	3.6	3.2	
Taxes	2.4	2.8	3.8	
Net profit	<u><u>4.3</u></u>	<u><u>5.1</u></u>	<u><u>6.8</u></u>	2.6%

Results per half year

(x € million)	H1 2001	H1 2002	H2 2001	H2 2002
Net turnover	124.2	159.2	81.4	100.2
	66%	66%	63.8%	67.5%
Cost of materials	(82.1)	(105.7)	(51.9)	(67.6)
Other expenses	(36.3)	(45.9)	(23.8)	(26.4)
	(118.4)	(151.6)	(75.7)	(94.0)
EBIT	5.8	7.6	5.7	6.2
	4.7%	4.8%	6.9%	6.2%
Interest	(1.8)	(1.9)	(1.8)	(1.3)
Taxes	(1.4)	(1.9)	(1.4)	(1.9)
Net profit	2.6	3.8	2.5	3.0
	2.1%	2.4%	3.1%	3.0%

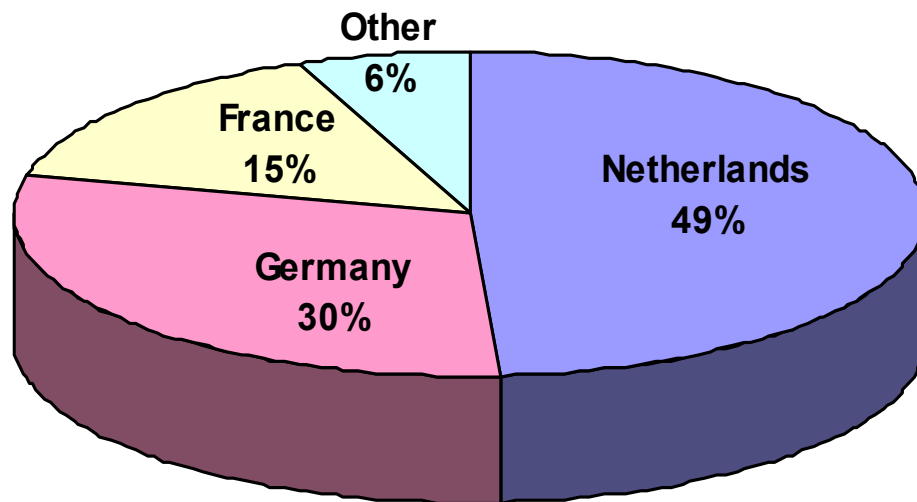


Turnover development Accell Group

- Growth both organically and through acquisitions
 - ⇒ Rise in autonomous turnover (+6%)
 - ⇒ On average prices remained almost stable
 - ⇒ Additional sales of bicycle components

Geographic turnover development

2002



(x € million)

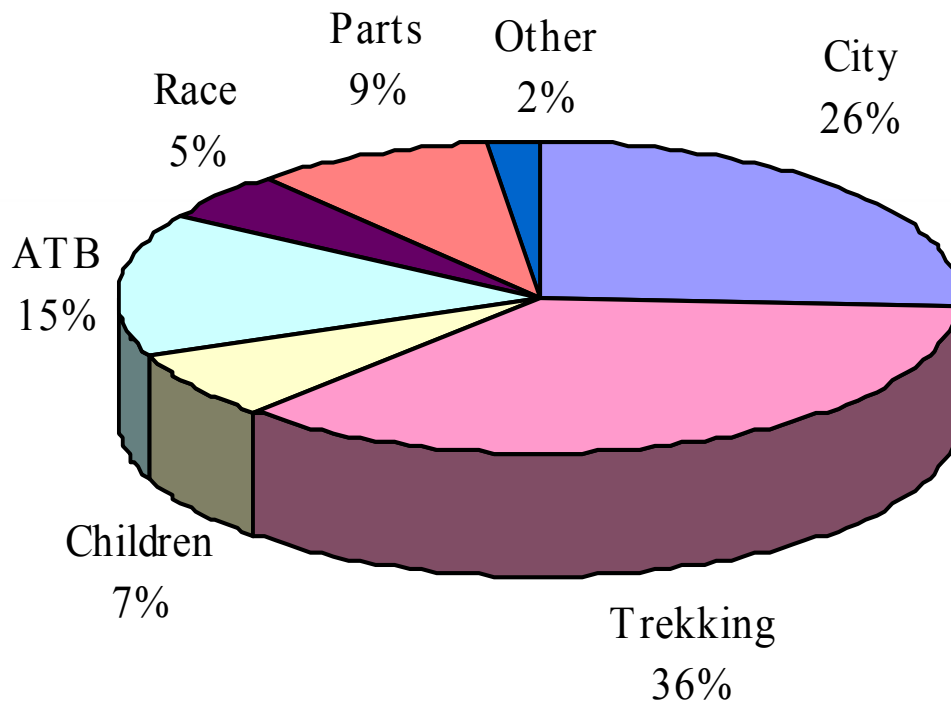
Netherlands
Germany
France
Other
Total

	2001	2002
Netherlands	117.8	126.1
Germany	43.4	79.0
France	31.2	37.9
Other	13.2	16.4
Total	205.6	259.4

- Share in turnover Germany declined (-2%)
- Share in turnover Netherlands slightly higher

Turnover development per segment

2002



(x € million)

	2001	2002
City	64.3	66.5
Trekking	79.1	93.2
Children	15.1	18.8
ATB	29.1	38.7
Race	6.6	13.2
Parts	7.2	22.5
Other	4.2	6.5
Total	205.6	259.4

Operational costs

- Costs of materials 2002 : 67% of turnover
 - First half 66% (2001: 66%)
 - Second half 64% (2001: 64%)
- Operational costs (excl. costs of materials) relatively decreased

(x € million)	2000	2001	2002
Staff costs	35.1	33.7	38.7
Depreciations	2.3	2.3	2.8
Other expenses	25.5	24.1	30.8
Total	<u>62.9</u>	<u>60.1</u>	<u>72.3</u>

- Costs of staff from 16.4% to 14.9% of turnover
- Other expenses from 11.7% to 11.9% of turnover

➤ More effort, slightly higher costs, but better results

Balance, assets

Assets (x € million)

	2000	2001	2002
<i>Fixed assets</i>			
Intangible fixed assets	0.0	0.6	0.8
Tangible fixed assets	13.3	21.4	23.8
Financial assets	3.8	3.7	2.7
	<u>17.1</u>	<u>25.7</u>	<u>27.3</u>
<i>Current assets</i>			
Inventories	50.4	58.0	50.9
Receivables	29.0	33.8	34.2
Cash	0.0	0.0	0.1
	<u>79.4</u>	<u>91.8</u>	<u>85.2</u>
Total assets	<u><u>96.5</u></u>	<u><u>117.5</u></u>	<u><u>112.5</u></u>

Balance, assets

- Undiminished attention to inventories result in:
 - ⇒ Decrease of components in stock
 - ⇒ Decrease of number of finished products in stock

(x € million)	2000	2001	2002
Components	28.4	24.7	20.9
Finished product	22.0	33.3	30.0
	<u>50.4</u>	<u>58.0</u>	<u>50.9</u>

- Receivables remain stable
- Working capital decreased

Capital employed

(x € million)	2000	2001	2002
Balance sheet total	96.5	117.5	112.5
Other short term debts	11.6	14.6	15.2
Capital employed	<u>84.9</u>	<u>102.9</u>	<u>97.3</u>

- Working capital decreased
- Decreased balance sheet total; shortened balance sheet
- Return on capital employed improved

Group Equity

Group Equity per 31-12-2001:	€ 37.4 mln
Profit increase	€ 6.8 mln
Dividend payout 2001	(€ 1.6 mln)
Other mutations	<u>(€ 0.3 mln)</u>
Increase	€ 4.9 mln
Group Equity per 31-12-2002:	€ 42.3 mln

- Solvency Accell Group increased from 32% to 38%*
- Per weighted average share Group Equity increases from € 12.76 to € 12.86

* 44.3% including subordinated loan NIB



Balance, liabilities (before profit allocation)

Liabilities (x € million)	2000	2001	2002
Group Equity	28.2	37.4	42.3
Eq. account for inv. grants	0.2	0.2	-
Provisions	5.7	8.5	5.9
Long term debt	14.2	15.3	30.0
Bank	36.5	41.5	19.1
Suppliers	4.1	9.4	11.7
Short term debt	7.6	5.2	3.5
	<u>96.5</u>	<u>117.5</u>	<u>112.5</u>

- Subordinated loan NIB included in long term debts
- Strong decrease of short term debt
- Provision for reorganisation purposes declined

Cash flow

	(x € million)	2001	2002
Net profit		5.1	6.8
Depreciation		2.3	2.80
Movements in financial fixed assets		0.1	1.0
		<u>7.5</u>	<u>10.6</u>
Working capital		1.8	7.3
Cash flow from operations		<u>9.3</u>	<u>17.9</u>
Investments		<u>(4.4)</u>	<u>(5.7)</u>
Free cash flow		4.9	12.2



Ratio's

	2000	2001	2002
ROCE	11.4%	11.1%	14.1%
ROE	15.2%	13.6%	16.0%
Operational result/turnover	4.8%	5.5%	5.3%
Solvency excl. subordinated loan	29.3%	31.9%	37.6%
Solvency incl. subordinated loan	29.3%	31.9%	44.3%
Average # employees	998	1,051	1,061



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Hielke Sybesma



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Sales

- Mainly specialised trade
 - ⇒ Netherlands > 85% of the market
 - ⇒ Germany 50% of the market
 - ⇒ France > 20% of the market (turnover 40%)
- Start season with dealer shows
 - ⇒ Introduction new collection
 - ⇒ Indication annual purchase of the dealer
 - ⇒ Fixed percentage pre-ordering, specified to type and design
- During seasons sale through specialised office duty and field organisation

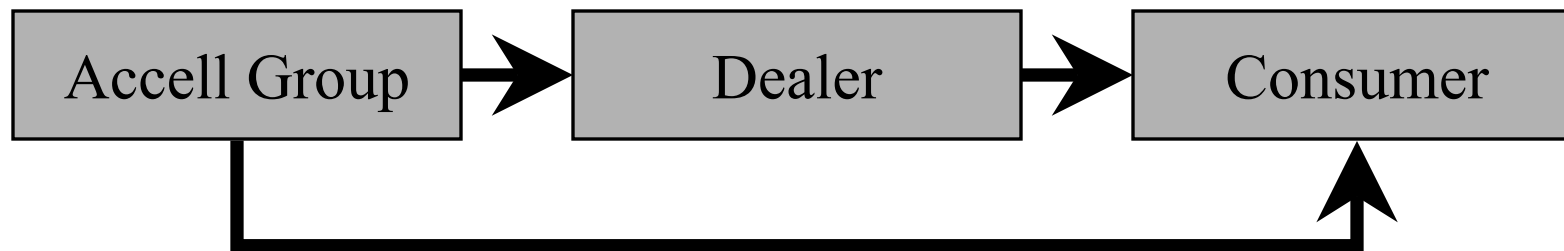


Marketing

- Directed to consumers
- Directed to dealers
- Campaigns



Marketing



Activities aimed at dealers:

- Events
- Shop window material
- Displays, columns
- Newsletter
- Dealerfile
- Posters
- Banners
- Support with advertorials

Activities aimed at consumers:

- Brochures
- Flyers
- Advertorials
- Internet
- Events
- Radio/Television
- Sponsoring
- Joint promotions

Internet

Sponsoring

- Race and ATB teams
- Events
- Occasionally (for example special bicycle trips)
- S.C. Heerenveen

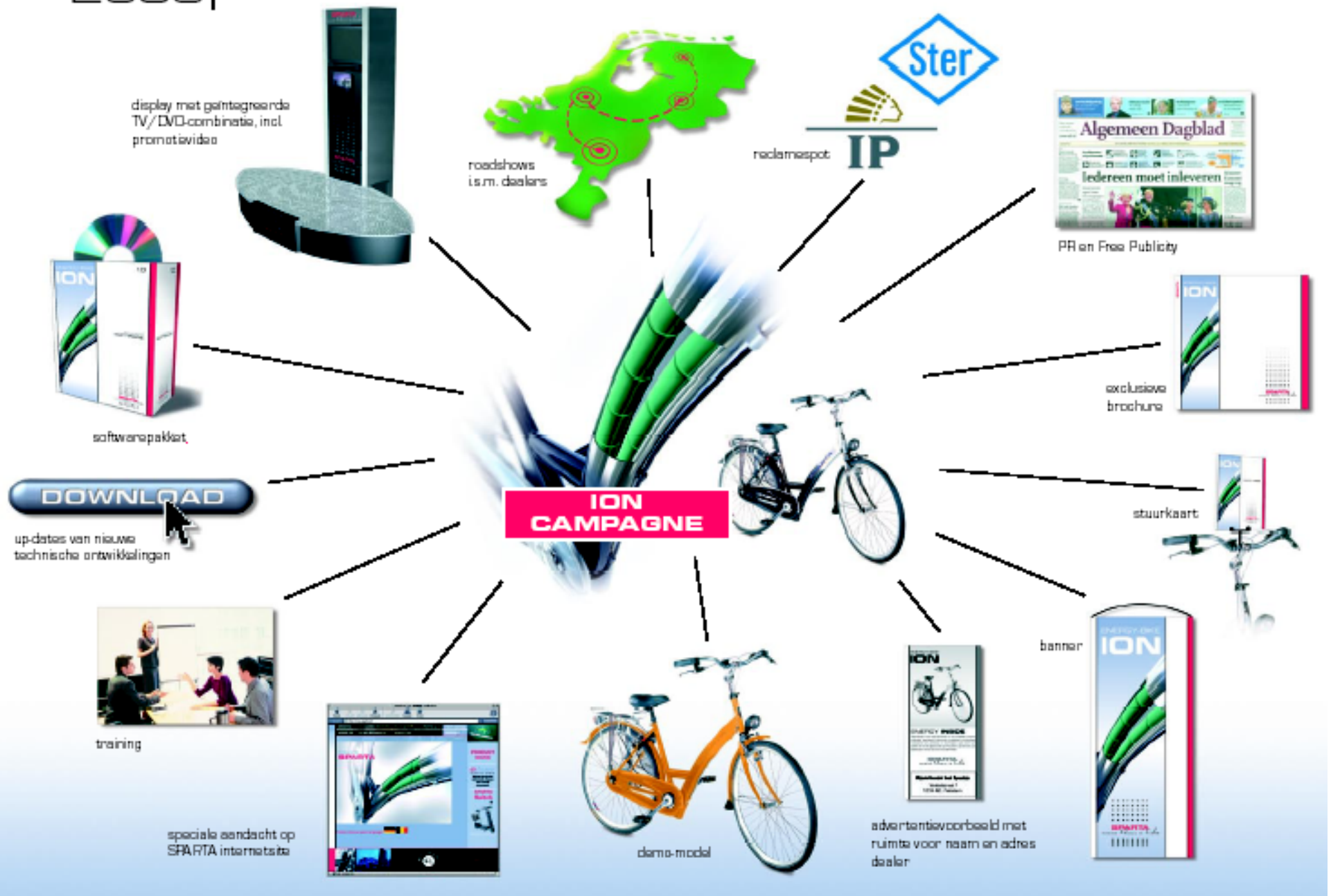


Campaigns

- Introduction new bicycle
- Actionbike/Joint promotion



SPARTA ION CAMPAGNE 2003



display met geïntegreerde
TV/DVD-combinatie, incl.
promotievideo

roadshows
i.s.m. dealers

reclamespot

PR en Free Publicity

softwarepakket

exclusieve
brochure

DOWNLOAD

up-dates van nieuwe
technische ontwikkelingen

stuurkaart

training

speciale aandacht op
SPARTA internet site

dama-model

advertentievoorbeeld met
ruimte voor naam en adres
dealer

banner

Allround

Adventure

Kids



Winkel display



Nieuwe TV-en nieuwe radio commercials



Informatielabels en actiekaarten campagnefietsen



Batavus On Tour



Batavus winkelbanieren

Batavus campagnefietsen



Huis-aan-huis flyer



Fox Kids Bike

Batavus BestBreaks

Batavus Compass

Batavus Future

4

Advertenties en free-publicity



Batavus Brochure



Promotie pakket



Homepage

De meest populaire kinderzender van Nederland

Bicycles present

- Sparta

⇒ Ion

Introduction spring 2003



- Batavus

⇒ Fox kids

€ 399,-



- Koga-Miyata

⇒ FullPro-M

€ 2.585,-





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Outlook

No signs of improving economic circumstances in 2003:

- Increasingly important role of the bicycle in the field of mobility
- Increasing number of cycling kilometres
- Continuous growth of relevant market sectors



Focus 2003

- Further utilization of production capacity in Hungary
- Specific attention to marketing & sales efforts
- Utilization of knowledge within the organisation; exchange of knowhow and expertise between subsidiaries
- Focus on acquisitions

Outlook

Increase in turnover
and
net-profit per share

(barring unforeseen circumstances)



Cannondale

- Worldwide renowned premium brand
- Annual sales of USD 135 million, 40% of which is achieved in Europe
- Excellent fit for Accell Group
 - ⇒ Increases turnover
 - ⇒ Geographical widening
 - ⇒ Further use of synergies
- Accell Group will decide on possible bid after it has performed due diligence



THE PREMIER EUROPEAN CYCLE GROUP

ACCELL GROUP

BATAVUS BE ONE KOGA MIYATA LOEKIE WINORA SPARTA HERCULES LAPIERRE MERCIER