


Presentation  
First-half results 2008

Okura Hotel, Amsterdam  
23 July 2008

René J. Takens, CEO  
Hielke H. Sybesma, CFO  
Jeroen M. Snijders Blok, COO



23 July 2008



Agenda

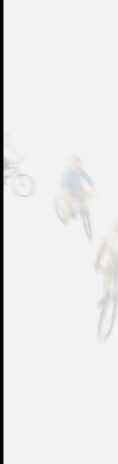
1. Accell Group in first-half 2008
2. Segments and countries development in first-half 2008
3. Accell Group shares
4. Financials
5. Outlook



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## Accell Group in first-half 2008

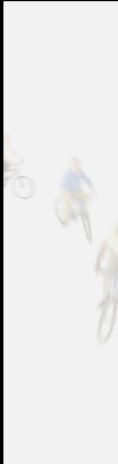
- Increase in turnover compared with first-half 2007 +11% to €306 million
- Net profit from ordinary operations +20% to €19.3 million
- Earnings per share: €2.02 (H1 2007: €1.72)\*
- EBIT 9.9% of turnover (H1 2007: 9.2%)
- Turnover per segment:
  - Bicycles / bicycle parts & accessories +12 %
  - Fitness -6%

\* Earnings per share is calculated on the basis of net profit from ordinary operations.




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## Key developments in the first half of 2008

- Acquisition of Ghost effective as per 1 March 2008
- Increased sales of bicycles in Germany and France
- Further increase in sales of electric bicycles
- Increase in average price




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## Turnover growth in first half of 2008

- Turnover growth 11%
  - 6% organic growth (H1 2007: 10%)
  - 5% acquisition growth
- Organic growth mainly due to :
  - Emphasis on marketing and innovation
  - Increased sales of bicycles in the higher segment (including sporting bikes and electric bikes)




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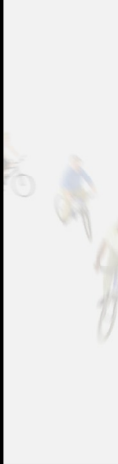
## Summary first-half results 2008

(x € million)	30/06/2007	31/12/2007	30/06/2008
Turnover	275.5	476.1	305.9
Net profit from ordinary operations <sup>1)</sup>	16.1	24.4	19.3
Earnings per share <sup>2)</sup> (€)	1.72	2.60	2.02
Solvency	38.8%	38.6%	38.9%
Balance sheet total	259.8	277.6	317.4
Share price (€)	30.33	24.76	21.88

<sup>1)</sup> net profit from ordinary operations in 2007 is the net profit excluding the provision for the NMa fine  
<sup>2)</sup> earnings per share is calculated on the basis of net profit from ordinary operations




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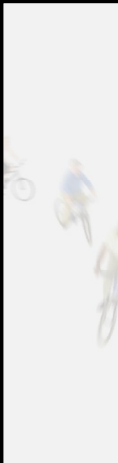


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**Bicycles / bicycle parts & accessories**


- Turnover increase +12% to € 288.2 million
- Number of bicycles sold in first-half 2008: 573,000 (H1 2007: 561,000)
  - decrease due to discontinuation of sales to hypermarchés by Mercier
  - increase due to Ghost and higher sales
- Average prices of bicycles higher at € 413 (2007: € 378) due to a better product mix
- Further increase of electric bicycle sales
- Further expansion of 'custom-made' programmes



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## Fitness

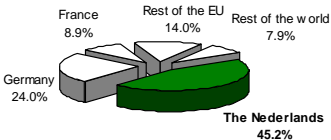
- Turnover decreases to € 17.7 million (- 6%)
- Half of the turnover decrease is attributable to a weaker US dollar and British pound sterling
- Operating result at the same level as in the first half of 2007 due to slightly better margins
- Further adjustment of the organisation
- Good order portfolio for the rest of the year
- For the full year 2008 an increase of turnover is expected




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## The Netherlands



- Turnover in the Netherlands increases by 5% to € 138 million.
  - Higher average price per bicycle
  - Increase in the number of electric bicycles sold
  - Compared with the exceptionally good weather in 2007, turnover growth is sound



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## Germany

Region	Percentage
The Netherlands	45.2%
Rest of the world	7.9%
Rest of the EU	14.0%
France	8.9%
Germany	24.0%

- Turnover in Germany rose by 18% to €74 million as a result of:
  - Consolidation of Ghost as per 1 March 2008
  - Integration of Winora and Hercules
  - Further expansion of custom-made programmes Winora and Hai
  - Increased turnover of spare parts in Germany and France
  - Growing interest in sporting bicycles and mobility (CO<sub>2</sub> reduction)

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## France

Region	Percentage
The Netherlands	45.2%
Rest of the world	7.9%
Rest of the EU	14.0%
Germany	24.0%
France	8.9%

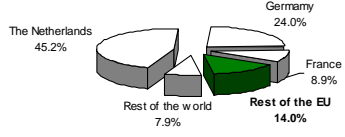
- Turnover increase in France + 28% to €27 million.
- Turnover Lapierre grew again compared with the same period in 2007; both in France and in exports
- Sales of Mercier to hypermarchés fully halted; production aimed at assembly of Lapierre and JC Decaux\* bicycle projects
- Turnover of bicycles and spare parts to JC Decaux increased

\*JC Decaux delivers bicycle projects for mobility improvement in large French cities


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## Rest of the EU

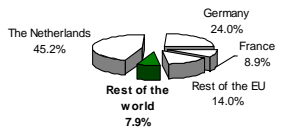


- Turnover in the rest of the EU countries increased by +15% to € 43 million.
- Also due to acquisitions
- Increased sales of bicycles in:
  - Austria
  - England




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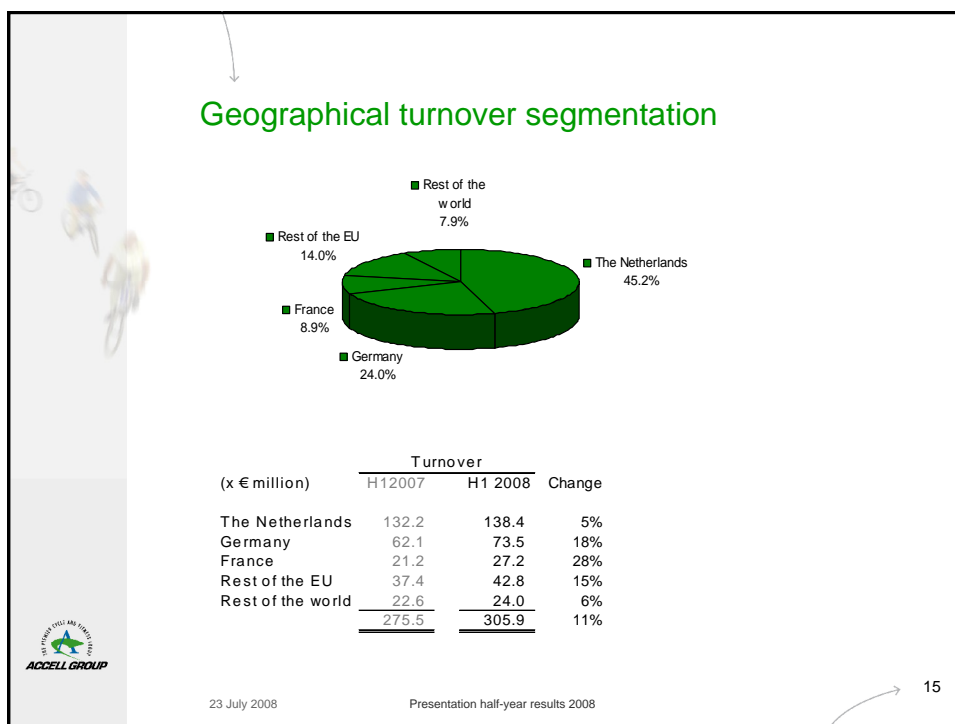
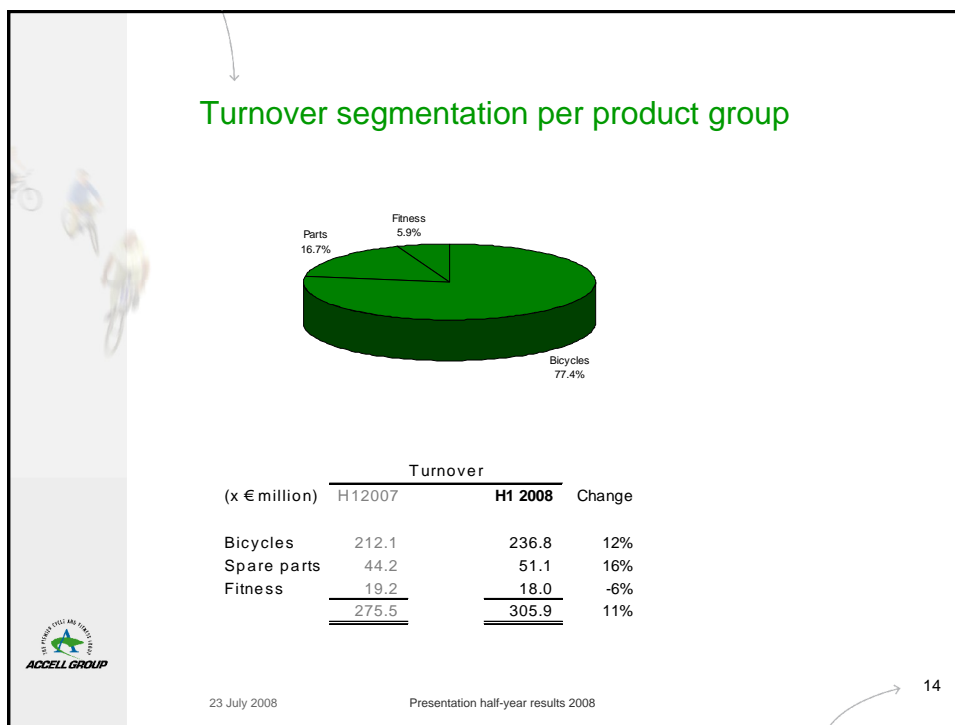
## Rest of the world



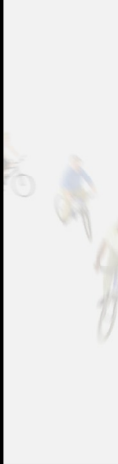
- Turnover in other countries increased by +6% to € 24 million.
- Switzerland
- Turnover increase SBS:
  - Turnover of bicycles and spare parts in North America grows
  - Further growth of distribution of Lapierre in North America
  - Turnover of Redline (BMX) expected to grow both in the US and abroad through sponsoring of the Olympic Games
- Fitness international



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### Are electric bikes sold out?

- No and yes
- Accell Group has increased production and supplies in order to meet demand
- Bicycles currently in stock at specialised retailers
- Delivery of extra orders to dealers will take place as from September 2008



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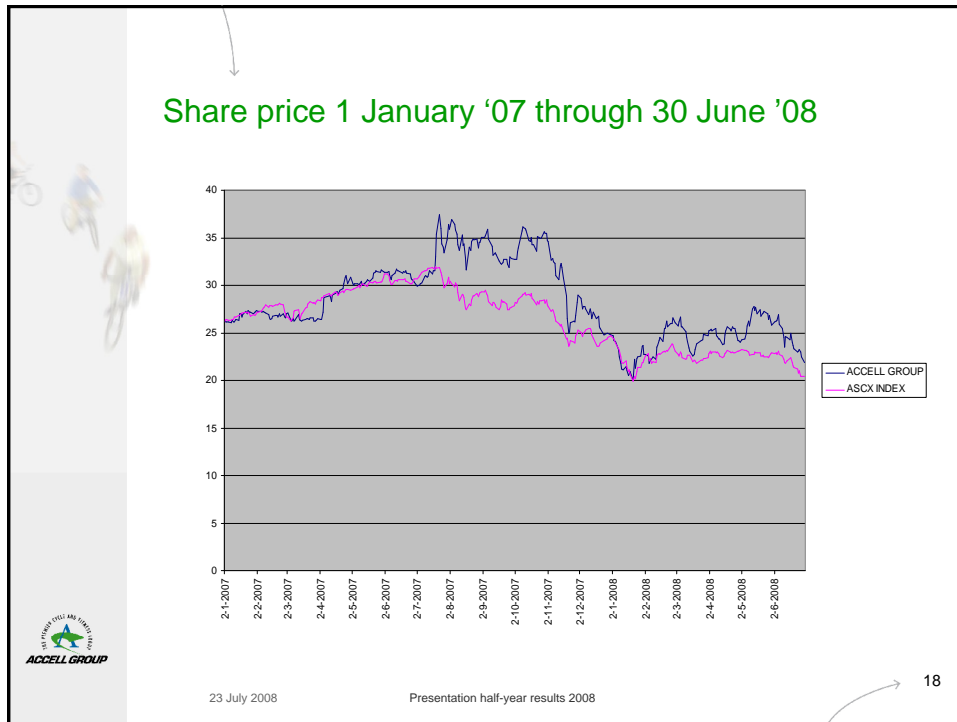
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### Accell Group stock: in AScX-index?

- Notification by NYSE Euronext that Accell Group may be included in the AScX-index as a result of interim reweighting
- NYSE Euronext expects to announce the final adjustments on Friday 1 Augustus 2008 (after trading hours)

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2. Development segments and countries in first-half 2008
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## Profit & loss statement

(x €million)	H12007	2007	H12008	
Net turnover	275.5	476.1	305.9	11%
Cost of materials	170.2	296.5	190.7	12%
Other expenditure	79.8	140.0	84.8	6%
Operating result (EBIT)	25.5	39.6	30.4	19%
Result participation	-	0.1	-	
Interest charges	3.2	5.6	3.3	5%
Taxes	6.2	9.6	7.8	25%
Net profit from ordinary operations <sup>1)</sup>	16.1	24.4	19.3	20%

<sup>1)</sup> Net profit from ordinary operations in 2007 concerns the net profit excluding the provision for the NMa fine.



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## Results development

- Turnover up 11% compared to first-half 2007
- Average price of a bicycle increases to € 413 (H1 2007: € 378)
- Operating profit increases from € 25.5 million to € 30.4 million
- Operating profit as a percentage of turnover increases from 9.2% to 9.9%



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## Material costs

(x €million)	H12007	2007	H12008	
Turnover	275.5	476.1	305.9	11%
Materials	170.2	296.5	190.7	12%
Value-added	<u>105.3</u> 38.2%	<u>179.5</u> 37.7%	<u>115.2</u> 37.7%	9%

- Material costs increase due to:
  - more outsourcing
  - higher (inbound) transportation costs
- Due to seasonal agreements, the influence of increased raw materials prices is limited during the season



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## Operational expenses

(x € million)	H12007	%	2007	%	H12008	%
Staff costs	37.2	14%	67.5	14%	38.9	13%
Depreciations	3.3	1%	5.8	1%	3.7	1%
Other operating expenses	39.4	14%	66.7	14%	42.2	14%
Other costs	<u>79.8</u>	29%	<u>140.0</u>	29%	<u>84.8</u>	28%

- Relative cost levels further lowered:
  - personnel costs from 13.5% to 12.7% of turnover
  - other costs from 14.3% to 13.8% of turnover
- Absolute cost levels increase by 6%



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## Balance sheet, assets

(x € million)	30/06/2007	31/12/2007	30/06/2008
Fixed assets			
Tangible fixed assets	51.5	54.9	60.6
Intangible fixed assets	13.5	13.3	38.1
Financial fixed assets	10.5	9.8	8.7
	<u>75.5</u>	<u>78.0</u>	<u>107.4</u>
Current assets			
Inventories	97.7	119.2	113.0
Receivables	86.5	80.2	96.8
Liquid assets	0.1	0.2	0.1
	<u>184.3</u>	<u>199.6</u>	<u>210.0</u>
Total assets	<u>259.8</u>	<u>277.6</u>	<u>317.4</u>



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## Balance sheet: effects Ghost acquisition

- Increase in intangible fixed assets (brand + goodwill) approximately €25 million
- Increase in tangible fixed assets approximately €5 million
- Increase in inventories and accounts receivable on balance sheet date 30 June 2008 €4 million and €2 million respectively
- Increase in bank financing €20 million
- Increase in other debts (incl. accounts payable) on balance sheet date 30 June 2008 €2 million
- Increase in provisions €10 million due to deferred taxes and other provisions (incl. earn-out obligation).



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## Working capital

	30/06/2007	31/12/2007	30/06/2008	
Inventories	97.7	119.2	<b>113.0</b>	16%
Accounts receivable	76.4	69.9	<b>84.8</b>	11%
Accounts payable	32.5	36.6	<b>39.6</b>	22%
	141.6	152.5	<b>158.2</b>	12%
Other receivables	10.1	10.3	<b>12.0</b>	19%
Other debts	24.7	17.2	<b>26.7</b>	8%
	14.6	6.9	<b>14.7</b>	0%
<b>Total working capital</b>	<b>127.0</b>	<b>145.6</b>	<b>143.6</b>	13%
Turnover	465.2	476.1	<b>506.5</b>	
% inv. acc rec. acc pay. / turnover	30.4%	32.0%	<b>31.2%</b>	
% working capital / turnover	27.3%	30.6%	<b>28.3%</b>	

- Inventories: - effect Ghost acquisition is €4 million  
- extra inventories electric bikes (€6 million) and fitness (€3 million)  
- inventory increase due to growth
- Accounts receivable:  
- effect Ghost acquisition is €2 million  
- increased accounts receivable due to shift in turnover pattern in first-half



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## Working capital (continued)

	30/06/2007	31/12/2007	30/06/2008	
Inventories in transit	5.5	14.9	<b>8.3</b>	50%
Components	32.3	41.7	<b>40.0</b>	24%
Semi-finished products	3.8	2.9	<b>3.9</b>	2%
Finished products and trade goods	<u>56.0</u>	<u>59.8</u>	<u><b>60.7</b></u>	8%
	97.7	119.2	<b>113.0</b>	16%

- Inventories in transit and components rise because of more activity in the summer months, particularly for electric bikes and due to Ghost acquisition
- Inventories of finished products increase also by a.o. extra inventories in the fitness segment and Ghost acquisition



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## Balance sheet, liabilities

(x € million)	30/06/2007	31/12/2007	30/06/2008
Group equity	100.7	107.1	123.6
Provisions	18.3	16.9	26.7
Long-term loans	38.9	49.9	66.6
Bank credit	44.7	49.9	34.2
Short-term loans	57.2	53.8	66.3
Total liabilities	<u>259.8</u>	<u>277.6</u>	<u>317.4</u>

- Financing influenced by Ghost financing



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## Cash flow

(x €million)	H12007	H12008
Cash flow from operations		
Net profit from ordinary operations	16.1	19.3
Provision NMa fine	4.6-	-
Depreciations	3.3	3.7
Share-based payments	0.1	0.2
Movements in provisions	6.1	0.2-
Cash flow from operations before working capital	20.9	23.0
Movements in working capital	<u>5.0-</u>	<u>8.3</u>
Net cash flow from operations	16.0	31.3
Cash flow from investment activities		
Movements in fixed assets	4.4-	4.3-
Acquisitions	<u>4.6-</u>	<u>20.3-</u>
Net cash flow from investment activities	9.0-	24.6-
Cash flow from financing activities		
Movements in bank loans and bank credits	3.7-	1.9-
Dividends	3.1-	4.6-
Other movements	<u>0.3-</u>	<u>0.3-</u>
Net cash flow from financing activities	7.0-	6.7-



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## Exercise of optional dividend

Number of outstanding shares as per 1-1-2008:	9,492,950
Issue of shares as a result of option exercise:	-
Optional dividend	
62% of dividend rights paid out as stock dividend:	285,222
Number of outstanding shares as per 30-6-2008:	9,778,172
Weighted number of outstanding shares as per 30-6-2008:	9,563,472



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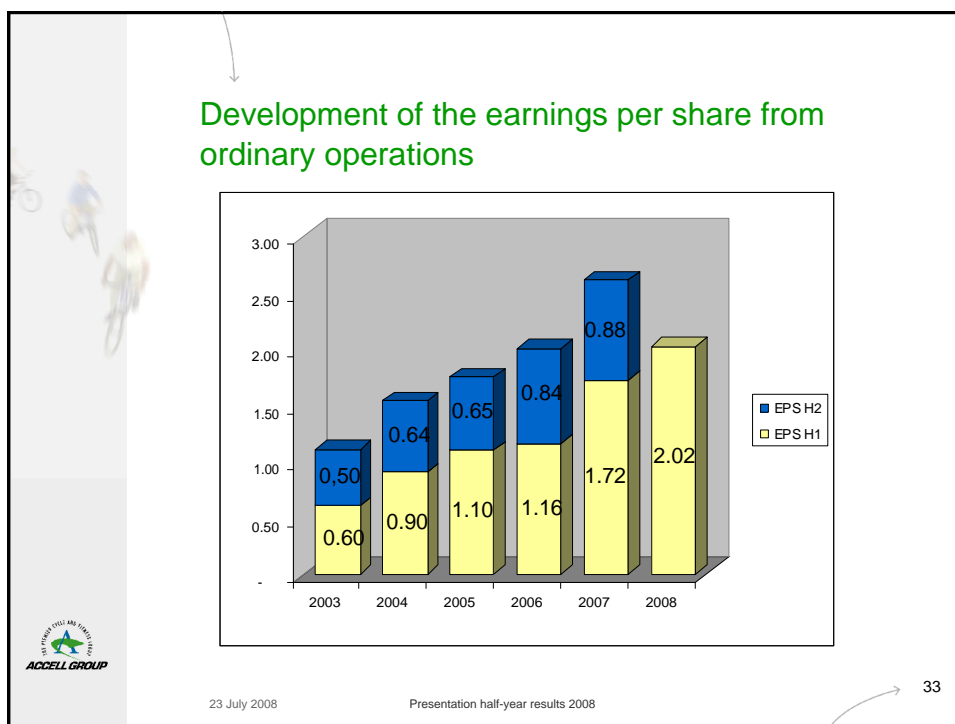
### Ratio's

	30/06/2007	31/12/2007	30/06/2008
Operating result <sup>1)</sup> / turnover	9.2%	8.3%	9.9%
Solvency	38.8%	38.6%	38.9%
<b>Per share (€)</b>			
Shareholder's equity	10.8	11.4	12.9
Net profit from ordinary operations	1.72	2.6	2.02

<sup>1)</sup> Based on the result from ordinary operations, which in 2007 is the result excluding the provision for the NMa fine



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## Outlook 2008

- Accell Group will continue to profit from current and durable trends in the areas of health, mobility and the environment
- Demand for electric bicycles will continue unabated
- Accell Group will continue to be on the lookout for suitable acquisitions
- Increase in turnover and result from ordinary operations of approximately 10% for 2008



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