

Accell Group NV

General Meeting of Shareholders

Heerenveen,
20 April 2006

Agenda

- **Accell Group in 2005**

- Share price
- Financials
- Outlook

Further growth...

- Turnover + 8%, organic turnover growth 5%
- Accell exceeded the “top year” 2004
- “Power in branding and distribution”
- Innovation, flexibility and making use of synergies

- **Net result + 18%**
- **Profit per share + 14%**
- **EBIT from 6,7% to 7,0% of turnover**

Summary results

(x EUR million)

	31-12-2003	31-12-2004	31-12-2005	
Turnover	289,6	341,1	369,3	8%
Net profit	9,2	13,2	15,5	18%
Profit per share	1,10	1,54	1,75	14%
Solvability	35,2%	34,9%	42,9%	
Balance sheet total	141,6	173,6	180,3	
Share price	8,10*	15,70	20,40	30%

* Re-accounted after split

▪ 2004 and 2005 figures in accordance with IFRS

Bicycles: The Netherlands

- Campaign bicycles Batavus very successful
- Cooperation Koga and Spyker
- Sparta expands success e-bike
- E-bike now also produced by Batavus, Koga and Hercules
- Koga produces 'custom-made' bicycles
- New collection for children bikes Loekie
- Juncker Bike Parts extends range offered to bicycle dealers

Bicycles: Germany

- Increase of market demand for bicycles
- Increase of turnover and volumes
- Winora has successful 'custom made' program
- Winora improved its position with acquisition of Julius Holz

Bicycles: France

- Lapierre:
 - Stable growth, improved market position
 - Strong positioning of the Lapierre trademark, (extension of international reputation).
- Mercier:
 - Market position of mega stores is weakening: results Mercier under pressure
 - Turnover Mercier EUR 10 mln

Bicycles: Other countries

- Tunturi confirmed its position as market leader in Finland
- Bicycle sales are fairly stable
- Further increase of export activities by Koga and Lapierre (including US and Canada)

Fitness

- Western Europe is catching up with US in respect of fitness activities
- Extension of distribution network next to own branches in NL and Germany: acquisition of sales organizations in UK, North America and Austria
- Increase of sales in numbers and turnover
- Restructuring of Tunturi in Finland: replacement of production to Baltic States
- Fitness Head Quarters now based in The Netherlands

Acquisition Strategy

- Growth: both organic and by acquisitions
- Expansion in both bicycles and fitness
- Accell Group searches the market actively, within and outside Europe
- Candidates must fit into group culture
- Trademark profile in middle and top segment
- Stand-alone profitability, making use of synergies

Acquisitions in 2005

- Julius Holz GmbH & Co Kg: trading company in bicycles, bicycle parts and accessories
- Accell Fitness North America Inc., distribution of fitness activities in Canada
- Lacasdail Holdings Ltd; distribution fitness activities U.K. from 50% participation to 100%
- Dowi Fitness und Sportgeräte GmbH, distribution fitness activities in Austria

Announced in 2005, consolidated per 1/1/2006:

- Antec B.V.: production and development of bicycles driven by an electric motor

Appeal against NMa decision

- In April 2004 penalty of EUR 12,8 mln imposed in connection with alleged pricing agreements
- Result of objection procedure with NMa: penalty reduced by 10%, but still is far beyond all reasonable proportions
- Allegations are incorrect, no single penalty has ever been imposed in NL or Europe based on one-off unilateral statement
- Appeal lodged with independent judge: early March Accell's statement of appeal is due
- Extensive file which has many leads to lodge an appeal
- No provision included in financial accounts

Corporate Governance

- Policy consistent with 2004
- Accell Group complies with regulation
- No new deviations from Dutch Corporate Governance Code (Code Tabaksblat) compared to 2004
- Provision of information to shareholders:
 - Code Tabaksblat: all information on corporate web site
 - AFM: all information in press release

Dutch Security and Exchange Commission (AFM)/IFRS

- Financial Rules Regulations/IFRS are extensive for smaller listed companies
- Provision of information to shareholders, means also information for:
 - Customers
 - Suppliers
 - Competitors

Agenda

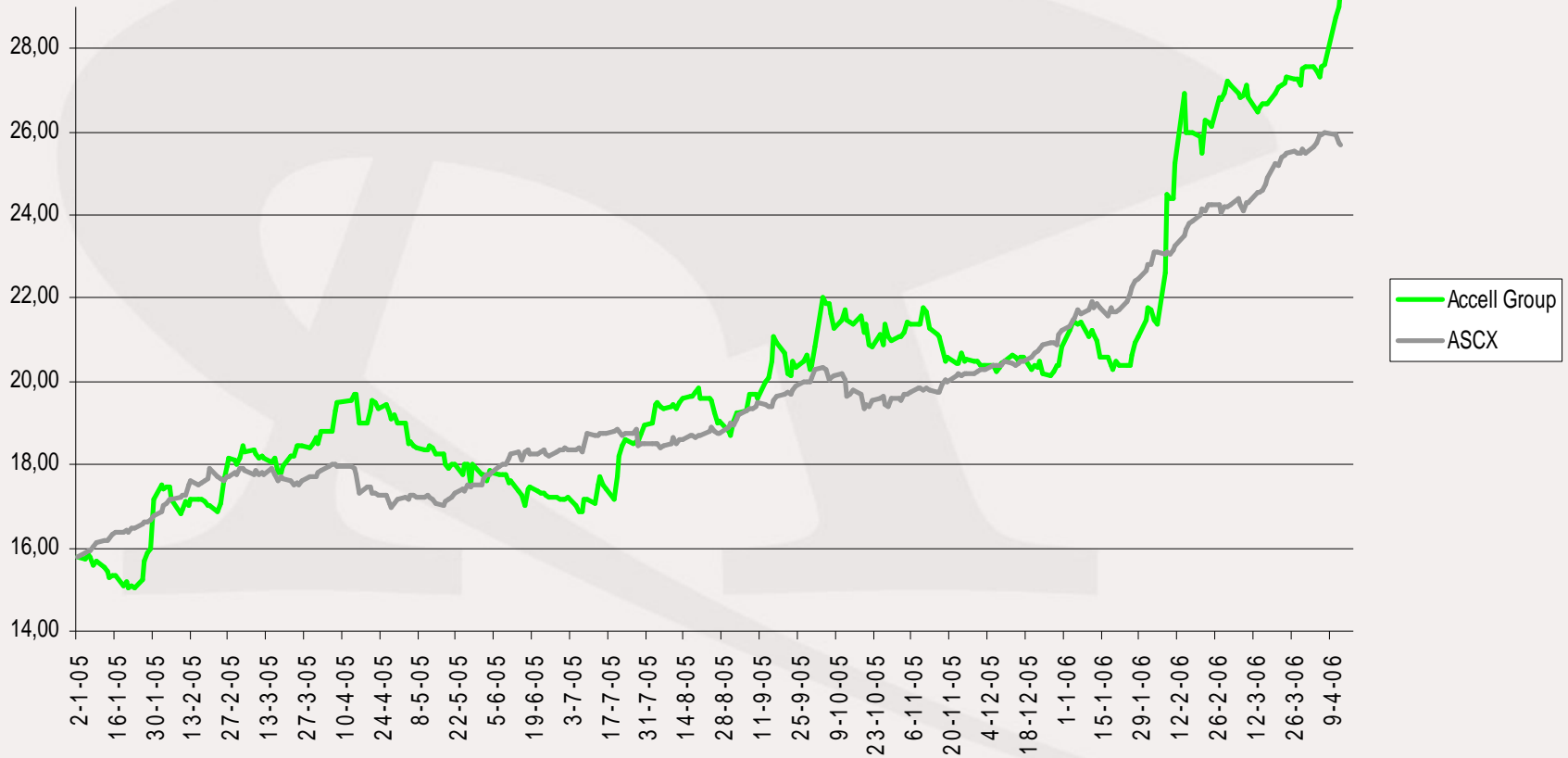
- Accell Group in 2005

- **Share price**

- Financials

- Outlook

Share price development



Agenda

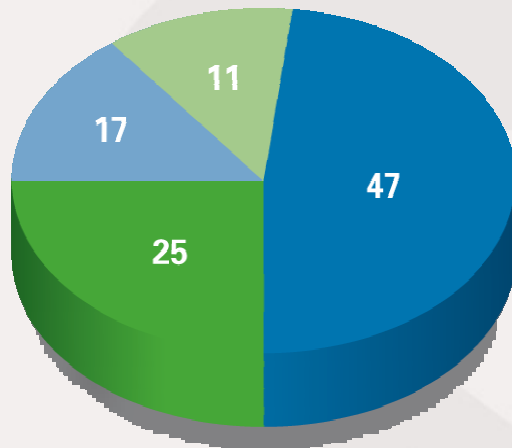
- Accell Group in 2005
- Share price
- **Financials**
- Outlook

P&L

(x EUR million)	2004		2005	
Net turnover	341,1		369,3	
Cost of materials	210,8	61,8%	230,6	62,4%
Other costs	107,5		113,0	
EBIT	<u>22,8</u>	6,7%	<u>25,7</u>	7,0%
Result minority share	0,3		0,0	
Cost of interest	(2,8)		(3,0)	
Taxes	(7,1)		(7,2)	
Net profit	<u><u>13,2</u></u>	3,9%	<u><u>15,5</u></u>	4,2%

2004/2005 according to IFRS

Geographical turnover

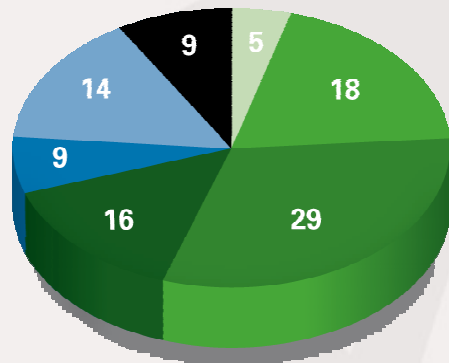


- **Netherlands** (47%) (* EUR mill)
- **Germany** (25%)
- **France** (11%)
- **Other** (17%)

Netherlands
Germany
France
Other
Total

	2004	2005
Netherlands	170,8	171,6
Germany	77,9	92,7
France	42,8	42,4
Other	49,6	62,6
Total	341,1	369,3

Turnover by product group



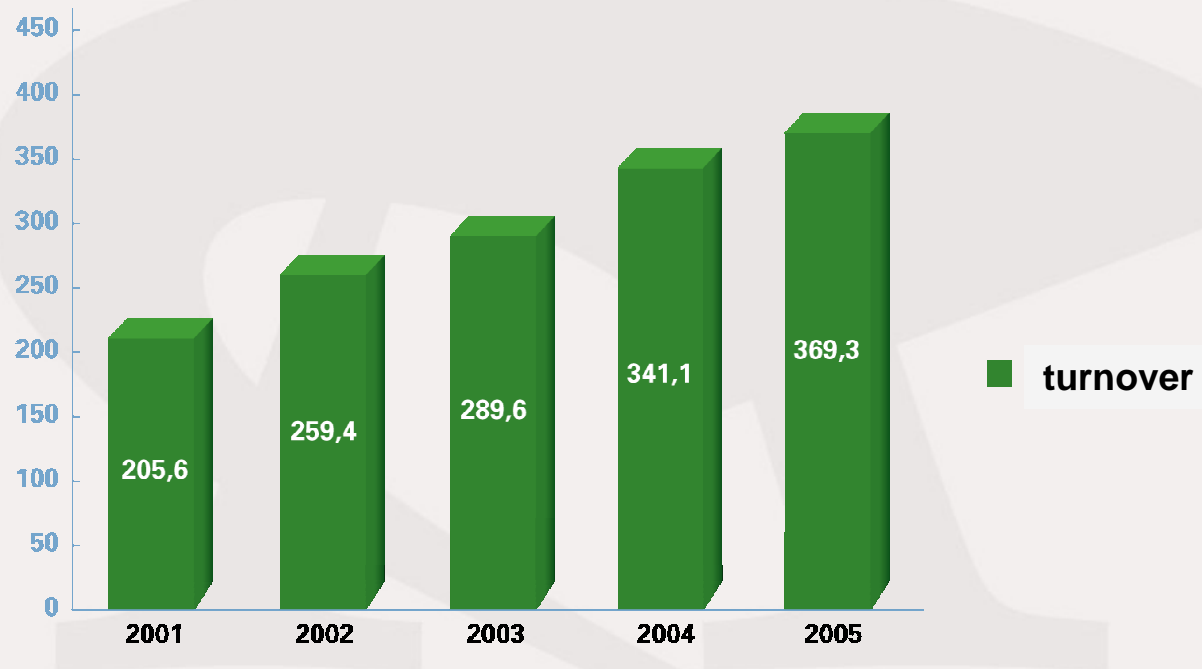
- Childrens bicycles (5%) Childrens bicyc
- City bikes (18%) City bikes
- Trekking (29%) Trekking
- ATB/Race (16%) ATB/Race
- Other bicycles (9%) Other bicycles
- Bike parts (14%) Bike parts
- Fitness (9%) Fitness

(* EUR million)

	2004	2005	
Childrens bicycles	21,8	19,3	-11%
City bikes	72,2	66,4	-8%
Trekking	107,2	109,1	2%
ATB/Race	52,8	57,7	9%
Other bicycles	21,0	31,3	49%
Bike parts	44,7	53,3	19%
Fitness	21,4	32,2	50%
Total	341,1	369,3	8%

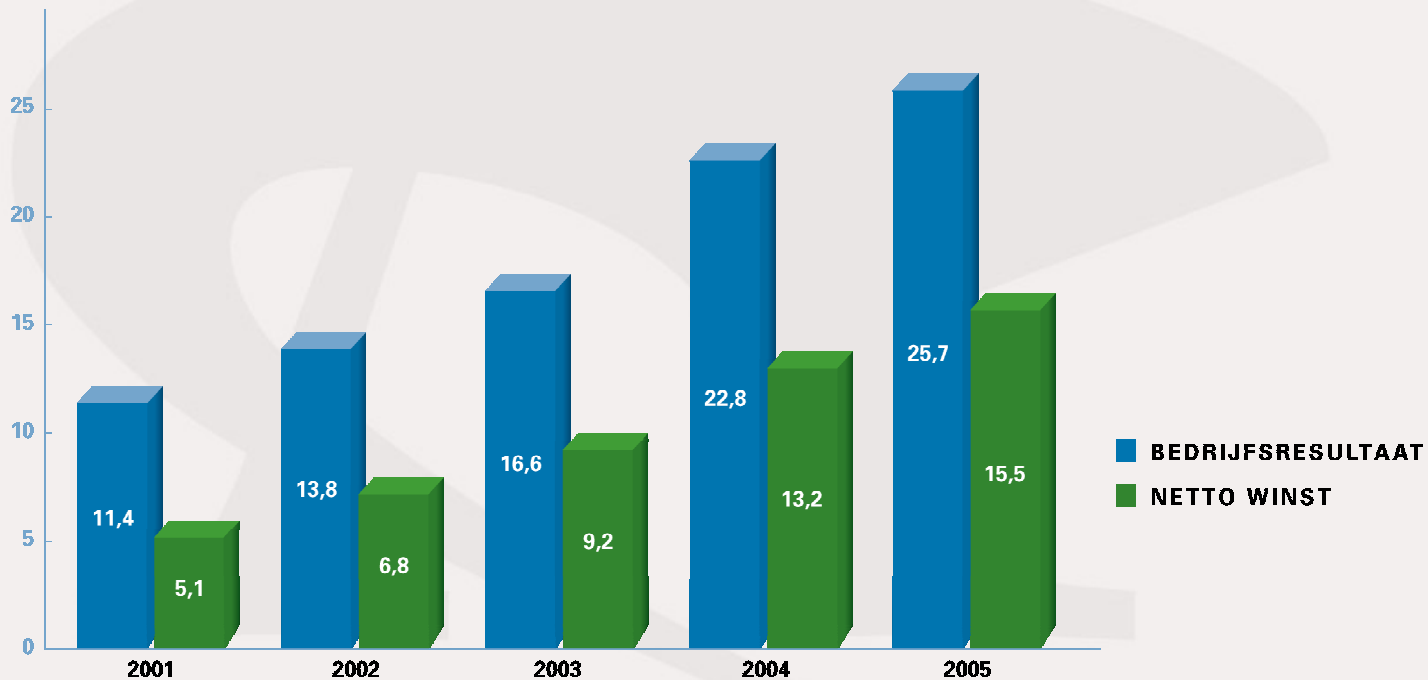
- Product mix changes structurally due to increase of bike parts and fitness activities
- Turnover of “other bicycles” increases, mainly due to electric bicycles

Development of turnover last 5 years



- Amount of bicycles sold in 2005: 858.000 units (2004: 865.000)
- Average price of bicycles sold increased 4% to around € 330

Development of results over last 5 yrs



▪ Figures 2004 and 2005 in accordance with IFRS

Segment information

(x EUR million)	2004			2005		
	Bicycles & Parts	Fitness	Total	Bicycles & Parts	Fitness	Total
Net turnover third parties	319,7	21,4	341,1	337,1	32,2	369,3
Result per segment	29,9	0,4	30,3	32,7	1,4	34,1
Result / net turnover	9,4%	1,9%		9,7%	4,3%	
Segmental costs not allocated			0,7-			0,8-
Corporate costs not allocated			6,8-			7,6-
Operational trading results			22,8			25,7
Result minority shares			0,3			0,0
Cost and benefit of interest			-2,8			-3,0
Earnings before taxes			20,3			22,7
Taxes			-7,1			-7,2
Net result after taxes			13,2			15,5

Material costs

- Relative increase of material costs

(x EUR million)	2004	%	2005	% omzet
Turnover	341,1	100,0%	369,3	100,0%
Material	210,8	61,8%	230,6	62,4%
Added value	<u>130,3</u>	38,2%	<u>138,7</u>	37,6%

- Reasons for minor decrease of added value:
 - Sharper pricing policy
 - Changing product mix
 - Increasing cost of material and outsourcing

Operational expenses

- Operational expenses, excl. cost of material, relatively decreased

(x EUR million)	2003	2004	2005
Cost of labor	45,2	53,8	57,7
Depreciations	3,9	4,4	4,6
Other expenses	39,1	49,3	50,7
Total	<u>88,2</u>	<u>107,5</u>	<u>113,0</u>

- Cost of labor from 15,7% to 15,6% of turnover
- Cost of marketing amounted to 3 tot 4% of turnover (same as 2004)
- Other costs from 14,4% to 13,7% of turnover
- Total costs from 31,5% to 30,6% of turnover

Results by half year

Net turnover	204,3 61,9%	213,8 61,0%	136,8 61,7%	155,5 64,4%
Cost of goods	(126,4)	(130,5)	(84,4)	(100,1)
Other expenses	(64,5)	(67,2)	(43,0)	(45,8)
	(190,9)	(197,7)	(127,4)	(145,9)
EBIT	13,4 6,6%	16,1 7,5%	9,4 6,9%	9,6 6,2%
Minority share	0,2	0	0,1	0,0
Interest	(1,9)	(2,0)	(0,9)	(1,0)
Taxes	(4,1)	(4,5)	(3,0)	(2,7)
Net profit	7,6 3,7%	9,6 4,5%	5,6 4,1%	5,9 3,8%

- Due to lower tax rate net-profit increases more than EBIT

Balance sheet, assets*

Assets (x EUR million)

	2004	2005
<i>Fixed assets</i>		
Intangible assets	3,2	3,9
Tangible assets	39,0	43,1
Financial fixed assets	5,7	4,8
	<u>47,9</u>	<u>51,8</u>
<i>Other assets</i>		
Stock	76,6	76,6
Debtors	49,0	51,8
Cash	0,1	0,1
	<u>125,7</u>	<u>128,5</u>
Total assets	<u><u>173,6</u></u>	<u><u>180,3</u></u>

▪ All financial figures are in accordance with IFRS and with the general understandings thereof per 31 december 2005

Working capital

(x EUR million)	2004	2005
Stock	76,6	76,6
Debtors	43,3	47,3
Creditors	21,8-	31,1-
	<u>98,1</u>	<u>92,8</u>

- Much attention for stock management and production planning in 2005:
 - Effect of acquisitions on end-of-year stock position is € 7,1 mln
 - Decrease of organic stock
- Amount of debtors is equal in relation to turnover
- Increased use of suppliers credit end of year

Balance sheet, liabilities*

Passiva (x EUR million)	2004	2005
Group equity	60,7	77,4
Provisions	10,0	10,1
Long term debt	26,7	25,1
Credit Institutions	40,4	24,5
Short term debt	35,8	43,2
	<u>173,6</u>	<u>180,3</u>

- Decrease of bank credit due to positive operational cash flow
- Strong increase of suppliers credit

▪ All financial figures are in accordance with IFRS and in accordance with the general understandings thereof per 31 December 2005

Group equity

Equity per 31-12-2004:	EUR 60,7 mln
Increase due to profit	EUR 15,5 mln
Dividend pay out 2004	-/- EUR 1,2 mln
Change in hedging reserve (financial instruments)	EUR 2,0 mln
Other changes	EUR <u>0,4 mln</u>
Increase in 2005	EUR 16,7 mln
Equity per 31-12-2005:	EUR 77,4 mln

- Solvency ratio ultimo 2005 is 43% (2004: 35%)
- Per average weighed share group equity increases 23% to a value of € 8,71 (2004: € 7,09)
- Hedging reserve depends on changes of price of currency prices and effectiveness of hedging activities

Cash flow

(x EUR million)	2004	2005
Net profit	13,2	15,5
Depreciations	4,4	4,6
Cash flow	17,6	20,1
Mutation working capital	19,8-	6,7
Cash flow from operational activities	(2,2)	26,8
Cash flow resulting from investments	(5,2)	(7,3)
Cash flow resulting from acquisitions	(3,1)	(3,2)
Free cash flow	(10,5)	16,3

Profit per share



- Figures 2004 and 2005 are in accordance with IFRS

Ratios

	2004*	2005*
ROCE	17%	19%
ROE	22%	20%
Operational result / turnover	7%	7%
Solvency	35%	43%
Average amount of employees	1.405	1.430

- Ratios 2004 en 2005 in accordance with IFRS

Dividend proposal

- Optional dividend
- Dividend proposal: € 0,83 (2004: € 0,72)
 - Payout 2005: 47,4% (2004: 47,3%)
 - Dividend yield: 4,1%* (2004: 4,6%)*

* Based on end of year share price

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Strategy Accell Group

- Continue to provide consumers with added value by supplying them with high quality and recognizable products
- Extension of brand portfolio, direct marketing and intensive cooperation with IBD's
- Extension of activities in fitness segment and custom-made bicycles
- Continuing strict control of costs, control of stock, portfolio management, further use of synergy advantages
- Active search for acquisition opportunities

Production and outsourcing

- Consistent consideration of 'make or buy'-decision
- Outsourcing of large number of components to Asia
- Expansion of production facility in Hungary
- A lot of attention for education and multiple usage of personnel
- Considerable number of flexible labor contracts
- Continued attention for staff education and employee flexibility

Expansion to the US (acquisition 2006)

- Introduction of Accell Group to a second large market for high end bicycles
- Seattle Bike Supply: highly trusted supplier of bicycles, bicycle parts and accessories
- Turnover of around USD 36 mln on a annual basis
- Strong distribution network
- World market leader in BMX segment: introduction of BMX-races as Olympic sport in Beijing '08
- Consolidated as per 1 March 2006

Outlook 2006

- Continuation of recovery of consumer confidence
- Further attention for recreation, health and fitness
- Integration of Seattle Bike Supply and making use of synergy opportunities
- Expected increase of turnover and operational results (barring unforeseen circumstances)

First months 2006

- Sales to dealers on higher level than first months 2005
- New bicycle and fitness collections for 2006 have met with enthusiastic response from dealers
- Sales to consumers are still lagging due to the late spring in Western Europe
- Outlook for the full year continues to be positive