


Presentation
Annual Results 2008

Okura Hotel, Amsterdam
27 February 2009


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27 February 2009

Agenda

1. Accell Group in 2008
2. Accell Group shares
3. Financials
4. Outlook



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Further growth in turnover and profit

- Turnover increased 13% to €538.0 million.
 - 8% organic growth
 - 5% growth through acquisitions.
- Operating result before depreciation and amortisation (EBITDA) +22% to €55.3 million.
- Net profit¹⁾ +17% to €28.6 million.
- Earnings per share¹⁾ +14% to €2.95

¹⁾ Net profit and earnings per share in 2007 exclude the provision for the Netherlands Competition Authority (NMA) fine.




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Bicycles / bicycle parts & accessories

- Turnover growth +16% to €498.6 million.
- Number of bicycles sold in 2008: 974,000 (2007: 943,000)
 - Decrease due to the halt in deliveries to hypermarchés in France
 - Higher number of electric bicycles sold (over 40%)
 - Higher number of bicycles sold in Germany (partly through the acquisition of Ghost)
- Average price of bicycles rose to €415 (2007: €367)
 - Higher sales of electric bicycles and high-end sports bicycles of Koga, Lapierre, Ghost and Hai
- Increase in sales of bicycle parts, particularly in Germany and France
- Acquisition of Ghost as of 1 March 2008
- Better availability of bicycles



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Fitness

- Turnover in 2008 decreased to €39.9 million (2007: € 45.0 million), representing 7% of the total group turnover
- Decline in turnover and result particularly due to lower sales in the UK and countries outside Europe
- Turnover decline affected by negative currency effects (approximately € 1.6 million)
- Organisational changes:
 - Production in Estonia (joint venture with local partner) cut back; purchasing of complete products fully concentrated in Asia
 - Closure of sales offices and warehouses in Germany, Switzerland and Austria; managed directly from the Netherlands
 - Termination of R&D and purchasing activities in Finland and centralisation at head office in the Netherlands

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Fitness

- In 2009 further measures will be taken for turnover growth and result improvement
- In the medium term, all strategic options will be considered
- Because of disappointing turnover and result in 2008, goodwill (€2.3 million) is written off

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Geographical distribution of turnover

Country	Percentage
The Netherlands	43.7%
Germany	23.2%
Other EU countries	14.6%
France	9.7%
Other countries	8.8%

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The Netherlands

- Total turnover in the Netherlands increased by 12% to €235.4 million.
- Higher average bicycle price
- Increased sales of electric bicycles
- Increased sales of bicycles for special target groups
- Stable fitness turnover

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Germany

- Turnover in Germany increases by 26% to €124.6 million
 - Ghost consolidation as of 1 March 2008
 - Increased sales of bicycles in the sports range of Hai and Ghost and the standard ranges of Winora and Hercules
 - Increase in sales of bicycle parts and accessories in Germany
 - Increasing interest for the bicycle as a possible solution to mobility problems and environmental issues (CO₂ reduction)
 - Stable fitness turnover

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France

- Turnover in France increased by 5% to €52.2 million
 - Increased turnover at Lapierre once again due to strong brand positioning and innovation, both in home market and export markets
 - Complete halt in sales of Mercier to hypermarchés: production aimed at assembly of bicycles for Lapierre and JCDecaux city bicycle projects
 - Delivery of bicycles to new city bicycle projects of JCDecaux in among others Luxembourg, Nancy and Nantes and bicycle parts for existing city bicycle projects
 - Small position in fitness

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Rest of the EU

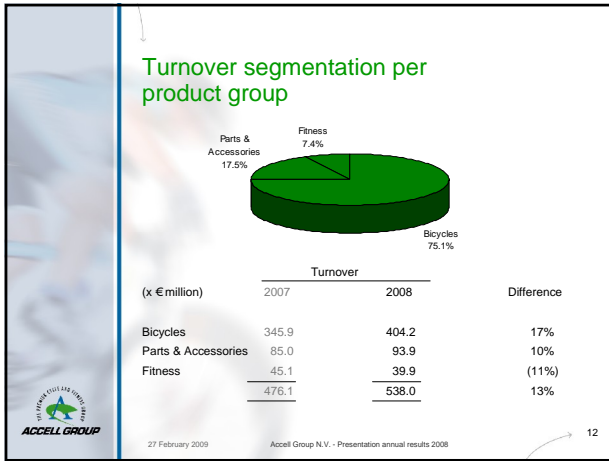
- Turnover increase in the rest of the EU of 14% to €78.7 million
- Increased turnover in Scandinavia (Tunturi) and Belgium (Brasseur)
- Increased sales of bicycles to:
 - Spain
 - Austria
- Decline in turnover of fitness in the UK

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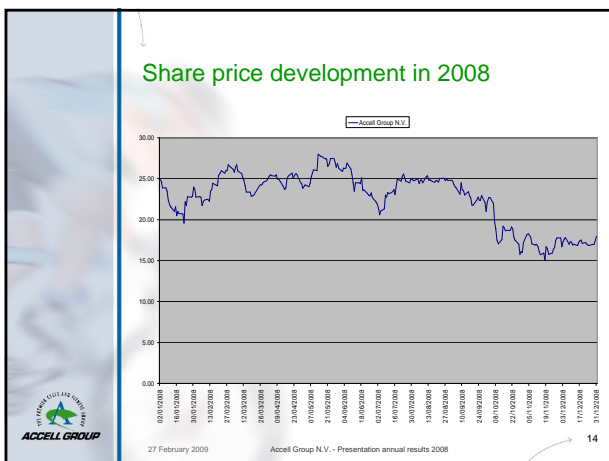
Rest of the world

- Turnover in the rest of the world remains stable at €47.1 million
- Increased sales in Switzerland
- Increased turnover SBS in both bicycles and bicycle parts in otherwise erratic market circumstances
- Decrease in turnover fitness

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- ### Accell Group shares included in AScX index
- Due to increased share turnover, Accell Group has been included in the AScX index, ten years after the introduction of the company on Euronext Amsterdam
 - The inclusion in the AScX index is expected to have a positive effect on liquidity and thus a further increase of Accell Group's share turnover
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Profit & loss statement

(x € million)	2007	2008
Net turnover	476.1	538.0
Material costs	(296.5)	(339.0)
Other expenses	(140.0)	(152.9)
Operating profit (EBIT)	39.6 ¹⁾	46.2
Result of participations	0.1	0.2
Interest expenses	(5.6)	(6.0)
Taxes	(9.6)	(11.8)
Net profit	24.4 ¹⁾	28.6

¹⁾ Operating profit and net profit in 2007 exclude the provision for the Netherlands Competition Authority (NMa) fine.



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Turnover development last 7 years


Year	Turnover (€ million)
2002	259.4
2003	289.6
2004	341.1
2005	372.1
2006	431.7
2007	476.1
2008	538.0



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Results development last 7 years

Year	EBIT (€ million)	Net profit from ordinary operations (€ million)
2002	13.8	6.8
2003	16.6	9.2
2004	22.8	13.2
2005	25.7	15.5
2006	30.1	18.4
2007	39.6	24.4
2008	46.2	28.6




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Costs of materials

(x € million)	2007		2008	
Turnover	476.1	100.0%	538.0	100.0%
Materials	(296.5)	62.3%	(339.0)	63.0%
Added value	<u>179.5</u>	37.7%	<u>199.0</u>	37.0%

- Material costs increase due to:
 - Increased outsourcing (materials + wages)
 - Higher (inbound) transport costs
- Influence of price fluctuations of raw materials is limited due to seasonal agreements




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Operational expenses

(x € million)	2007		2008	
Staff costs	67.5	14.2%	71.5	13.3%
Depreciation	5.8	1.2%	6.9	1.3%
Goodwill impairment	-	-	2.3	0.4%
Other costs	<u>66.7</u>	14.0%	<u>72.1</u>	13.4%
Total	<u>140.0</u>	29.4%	<u>152.9</u>	28.4%

- Relative cost levels continue to decline:
 - Staff costs from 14.2% to 13.3% of turnover
 - Goodwill impairment concerns the fitness write-off
 - Other costs from 14.0% to 13.4% of turnover




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Operating profit and net profit

	2007	2008	07->08
Added value	179.5	199.0	11%
Staff costs	(67.5)	(71.5)	6%
Other operating expenses	(66.7)	(72.1)	8%
EBITDA	45.3	55.3	22%
Depreciation	(5.8)	(6.9)	19%
Impairment goodwill		(2.3)	
Operating result (EBIT)	39.6	46.2	17%
Result of participations	0.1	0.2	
Interest expenses	(5.6)	(6.0)	6%
Taxes	(9.6)	(11.8)	23%
Net profit	24.4	28.6	17%

- Interest expenses increased due to financing acquisition and capital use
- Average tax burden excluding impairment 27.7% (2007: 28.3%)
- Approximately 8% of increase in net profit was organic
- Net profit excluding impairment rose 26%




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Segment overview

(x € million)	2007	2008	
Turnover per segment			
Bicycles and P&A	431.5	498.6	16%
Fitness	<u>45.0</u>	<u>39.9</u>	(11%)
Total	476.1	538.0	
Result per segment			
Bicycles and P&A	48.6 ¹⁾	58.6	
Fitness	<u>0.8</u>	<u>(0.7)²⁾</u>	
Total	49.4	57.9	

¹⁾ Excluding provision for the NMa fine
²⁾ Excluding exceptional charges of €2.3 million goodwill impairment and €1.0 million restructuring costs



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Results per half year

(x € million)	H1 2007	H1 2008	H2 2007	H2 2008
Net turnover	275.5	305.9	200.6	232.1
Costs of materials	(170.2)	(190.7)	(126.4)	(148.3)
	61.8%	62.3%	63.0%	63.9%
Other costs	(76.6)	(81.0)	(57.6)	(62.6)
Operating result (EBITDA)	28.7	34.2	16.6	21.2
	10.4%	11.2%	8.3%	9.1%
Depreciation	(3.3)	(3.7)	(2.5)	(3.2)
Goodwill impairment	-	-	-	(2.3)
Participations / interest expenses / taxes	(9.4)	(11.1)	(5.7)	(6.4)
Net profit	16.1 ¹⁾	19.3	8.4 ¹⁾	9.3
	5.8%	6.3%	4.2%	4.0%

• Organic turnover growth in H1: 6% and in H2 2008: 11%

¹⁾ Net profit in 2007 excludes the provision for the possible Netherlands Competition Authority (NMa) fine.



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Balance sheet, assets

(x € million)	31-12-2007	31-12-2008
Fixed assets		
Intangible fixed assets	13.3	39.6
Tangible fixed assets	54.9	61.3
Financial fixed assets	9.8	9.5
	78.0	110.5
Current assets		
Inventories	119.2	136.1
Receivables	80.2	88.3
Liquid assets	0.2	0.6
	199.6	224.9
Total assets	277.6	335.4



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Working capital

(x € million)	31-12-2007	31-12-2008	'07 -'08
Inventories	119.2	136.1	14%
Receivables	69.9	74.3	6%
Accounts payable	(36.6)	(52.2)	42%
Total	152.5	158.2	4%
	32.0%	29.4%	

• Effect Ghost acquisition €12.5 million, for the largest part inventories

• Working capital in % of turnover to 29.4% (2007: 32%) due to:

- Inventories: organic increase 5% versus organic turnover increase of 8%
- Receivables: limited growth compared to 2007
- Accounts payable: strong increase in trade creditors due to longer payment terms and higher inventories in transit



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Balance sheet, liabilities

(x € million)	31-12-2007	31-12-2008
Group equity	107.1	132.1
Subordinated debt	1.5	0.5
Provisions	16.9	31.3
Long-term debt	48.4	65.7
Bank credit	49.9	33.9
Short-term debt	53.8	72.4
Total liabilities	277.6	335.4

• Increase in provisions (€13 million) and long-term debt (€20 million) due to Ghost acquisition



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Group equity

(x € million)

Balance on 1 January 2008	107.1
Net profit	28.6
Dividend 2007	(4.6)
Other movements	1.0
Increase in 2008	<u>25.0</u>
Balance on 31 December 2008	<u>132.1</u>

- Solvency at 39.4% (2007: 38.6%)
- Group equity per weighted average share was € 13.66 (2007: € 11.38)




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Cash flow from operations

(x € million)

	2007	2008
Cash flow from operations		
Net profit	19.8	28.6
Adjustment cash flow for paid taxes and interest	0.3	0.6
Depreciations	5.8	6.9
Goodwill impairment	-	2.3
Share-based payments	0.1	0.2
Movements in provisions	4.9	0.6
Cash flow from operations before working capital	31.0	39.2
Movements in working capital	<u>(26.4)</u>	<u>3.6¹⁾</u>
Net cash flow from operations	4.6	42.8

¹⁾ Excluding consolidation of acquisition




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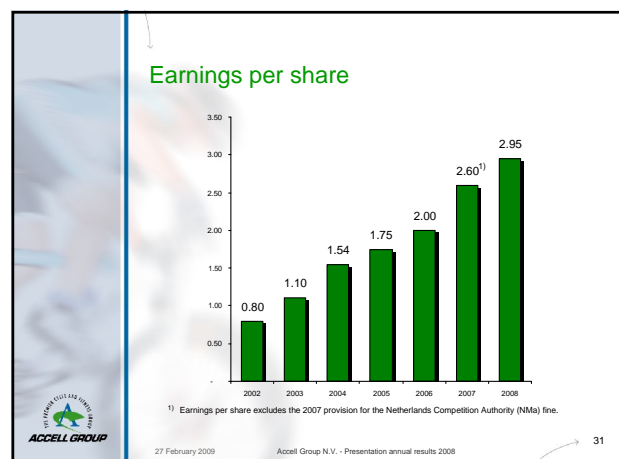
Cash flow from investment and financing activities

(x € million)

	2007	2008
Cash flow from investment activities		
Movements in tangible fixed assets	(10.1)	(7.4)
Movements in intangible fixed assets	(0.0)	(2.9)
Movements in financial fixed assets	0.2	0.3
Acquisitions subsidiary companies	<u>(4.6)</u>	<u>(20.2)</u>
Net cash flow from investment activities	(14.5)	(30.2)
Cash flow from financing activities		
Movements in bank loans and bank credit	13.4	(7.5)
Dividends	(3.7)	(4.6)
Other movements	<u>0.4</u>	<u>-</u>
Net cash flow from financing activities	10.1	(12.1)
Increase in liquid assets	0.09	0.43




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Ratio's

	2007	2008
ROCE	17.7%	17.5%
ROE	22.8%	21.6%
Operating result / turnover	8.3%	8.6%
Solvency	38.6%	39.4%
Average number of employees (FTE's)	1,713	1,778




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Dividend proposal for 2008

	2007	2008
Earnings per share (€)	2.60 ¹⁾	2.95
Dividend proposal (€)	1.25	1.42
Pay-out ratio	48.1%	48.1%
Share price year-end (€)	24.76	18.00
Dividend return	5.0%	8.0%

¹⁾ Earnings per share in 2007 including the provision for the Netherlands Competition Authority (NMa) fine was €2.11



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- ### Accell Group strategy
- Offering added value to consumer with high-quality and recognisable products
 - Extension of the brand portfolio, targeted marketing and intensive cooperation with specialised retailers
 - Extension of activities in electric bicycles
 - Continuous cost control, inventory management, portfolio management, further exploitation of synergy effects
 - Active search for possible acquisitions
- 
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Trends and expectation

- Social and demographic trends do not change
 - Mobility
 - Environment
 - Ageing
 - Health
 - Sustainability
- Increase in bicycle use
 - More exercise, healthier lifestyle
 - As a replacement for the car or public transport
 - Health and recreation



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Trends and expectation


- More government attention and initiatives to promote bicycle use
 - Safer bicycle routes
 - Attention for safety of youth on bicycles
 - Improvement of bicycle storage possibilities
 - Reduction of bicycle theft
 - Fiscal measures to promote e-bike sales
 - Bicycle (rental-) projects in cities
 - International interest groups / initiatives to promote bicycle use (European Cyclists Federation –EuroVélo, Global Alliance for Ecomobility)



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Flexible product lines

- Bicycle and fitness equipment are not one product
- Broad range of products with differences in technology and price
- Accell Group can flexibly adapt to consumers' technical and / or price wishes



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Outlook 2009

- High economic uncertainty
- Growing interest for use of the bicycle as a mobility solution and as a health stimulator
- Electric bicycles allow more people to use the bicycle
- Sustainable trends stimulate bicycle sales
- Order portfolio for the coming season is currently at a higher level than in 2008
- Based on the current order portfolio, we now expect a further increase of turnover and results in 2009, barring further economic developments and unforeseen circumstances



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