Accell Group

‘power in branding and distribution’

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Business Profile

- Two segments: - Bicycles, Bicycle Parts & Accessories
  - Fitness

- Focused marketing of national and international brands

- Innovation and differentiation by way of modern design and product specifications

- Efficient logistics and production

- Effective management of costs and sales prices

- Group synergy

- Organic growth and growth by acquisitions

- Shares listed at Euronext, Amsterdam
European Bicycle Market

- Total market size: estimated 22 million bicycles sold annually in EU-25
- Regions: 13 million in Central Europe, 6 million in East Europe and 3 million in South Europe

- Top 5:
  - Country
  - Germany: 4.7 million
  - France: 3.5 million
  - United Kingdom: 3.5 million
  - Italy: 1.7 million
  - The Netherlands: 1.3 million

- Price range bicycles: € 69 - € 15,000

- Each country has its own market characteristics
  - Type of bicycles sold
  - Average price / quality
  - Look and feel of bicycle
  - Distribution channel / outlets

- Rather stable, mature markets with steady growth in high-end segments
European Bicycle Parts & Accessories Market

- Total market size: estimated at € 1.2 billion
- Top 5 markets include Germany, Benelux, France, Italy and UK
  - Germany and Benelux market size estimated at € 500 million
- Steadily growing market:
  - Increasing demand bike parts for maintenance and repair purposes
  - Increasing demand accessories for comfort and functionality purposes
- Highly complementary to bicycle market
Accell Group positioning in the European Bicycle and Bicycle Parts & Accessories Market

- Strong presence in Europe for many years
- #1 player in Europe for bicycles
- Focus on mid and high-end segments; quality brands and products
- Sold mainly through network of selected retail (bicycle) specialists
- Complete range of products:
  - Varies from ‘state of the art’ racing bicycles to children’s bicycles
  - 14,000 various bicycle parts and accessories
- 2005 segmental sales level: € 337 million
Accell Group sales mix

- Net turnover 2005: € 369.3
- Increase of 18% compared to 2004 (€ 341.1)
Expansion to North America in Q1 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
- Annual turnover of around USD 36 million
- 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
Fitness Market

- Global market for fitness equipment: estimated at € 4.7 billion
- Home Use Segment is steadily growing market
- European home fitness market is currently estimated at € 500 million
- Main markets are Western Europe and North America
- Fitness market is less fragmented than Cycling market
  - product characteristics are more universal
  - one product portfolio for global marketing and sales
Accell Group positioning in the Fitness Market

- Accell fitness activities started in 2003
  - Tunturi acquisition – Finland

- Focus on mid and high-end segments of home-use market; quality brands / products only

- Sold mainly via network of retail (fitness) specialists

- Range includes treadmills, cross trainers, exercise bikes

- Distribution network: Europe (70%), North America (10%) and ROW (20%)

- Current market position is modest offering significant growth potential

- Price range fitness equipment: €199 - €4,999

Sustainable Underlying Trends for Growth in Cycling and Fitness

- **Demographic trends**
  - Double incomes are the fastest growing category who spend a lot of time and money on recreation and wellness
  - Ageing European population; increasing number of older, healthier people, eager to stay socially, mentally and physically active
  - New generation of retired and more wealthy people having plenty of time for recreation

- **Political trends**
  - Growing attention from governments for a safe bicycle infrastructure in cities and in the country
  - Growing attention for environmental issues, measures for reducing car use in favour of alternative transport (specifically short distance mobility)

- **Consumer lifestyle trends**
  - Increasing interest in a healthier lifestyle, health consciousness, fitness and stress relief are stimulating market demand for active outdoor and indoor recreation
  - Growing individualization, expression of ‘way of life’, increasing desire to stand out from the crowd
Accell Group Business Model

‘We are the leading player in developing and marketing of durable branded consumer goods for short distance mobility, fitness and active recreation’

- Strong focus on mid and high-end market segments of our respective markets

- Consistently adding value to our Cycling and Fitness products through focus on:
  - Branding and Distribution
  - Innovation & Design
  - (Product) Expertise & (After Sales) Service

- Allocating capital where we can add the most value:
  - R&D
  - Marketing
  - Expansion of trade activities
  - Targeted acquisitions
Power in branding and distribution

**Branding**

- Building on strong national and international brands
  - brands with a long history
  - each brand having its own unique positioning

- Our brands have emotional value
  - are more than just an unmistakable trade name
  - are more than only synonymous to a high quality product

- Our brands create customer loyalty

**Distribution**

- Distribution through independent bicycle dealers (IBD’s) guarantee the best service for our customers

- Intensive support and cooperation with IBD’s: in-store and direct marketing, service, technique, warranty strategy

- IBD’s: trend of development towards bigger, more modern shops
**Strategy Accell Group**

“We aim to strengthen our market positions in order to increase our profitability and realize a healthy and sustainable return on investment for our shareholders”

- 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
Development of turnover over 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 five years

- Figures 2004 and 2005 in accordance with IFRS
Earnings per share over last five years

- 2001: 0.67 (+ 20%)
- 2002: 0.82 (+ 22%)
- 2003: 1.10 (+ 34%)
- 2004: 1.54 (+ 40%)
- 2005: 1.75 (+ 14%)
## Summary results

(x EUR million)

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<th>31-12-2003</th>
<th>31-12-2004</th>
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<tr>
<td>Turnover</td>
<td>289,6</td>
<td>341,1</td>
<td>369,3</td>
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<td>Net profit</td>
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<td>Profit per share</td>
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<td>Solvability</td>
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<td>Balance sheet total</td>
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<td>173,6</td>
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<td>Share price</td>
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<td>15,70</td>
<td>20,40</td>
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- Current share price (12 April 2006): € 29.20
- 2003 share price re-accounted after split
- 2004 and 2005 figures in accordance with IFRS
Share price development

- Current market capitalisation: approximately € 260 million
Investment Highlights

- Diverse and sustainable underlying growth trends

- Proven business model
  - offering the best quality Cycling and Fitness products
  - consistently adding value through focus on branding, innovation, design and service

- Strong growth / financial track record during years of low to modest consumer spending and continuous pressure on retail margins

- Solid financial position (balance sheet, cash flow)
For more information: www.accell-group.com