PRESS RELEASE

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Accell Group records higher turnover and profit in first half

Heerenveen (the Netherlands), 22 July 2016 – Accell Group N.V. recorded a 10% increase in turnover to € 629.7 million in the six months to 30 June 2016 (2015: € 573.8 million). The rise in turnover was entirely organic. Net profit in the same period rose by 7% to € 34.0 million (2015: € 31.9 million).

René Takens, Chairman of the Board of Directors of Accell Group: *"The market conditions for the specialist retail sector were not particularly easy in the first six months of this year, as weather conditions in particular had a negative impact on bicycle sales in many countries. Despite these unfavourable conditions, we have recorded strong organic growth in the first half of 2016, largely driven by higher sales of electric bikes. We are benefitting specifically from our leading position in the field of electric bikes, which currently account for some 43% of our total turnover. Turnover from E-performance bikes has doubled in the last six months. Turnover from bicycle parts and accessories was also higher in Europe, but we did see a slight drop in total turnover in this segment due to the sale of our North American operations.*
Profit growth came under a certain amount of pressure in the past half year, due to lower margins on the sales of older bike ranges and extra costs incurred in connection with two major bankruptcies of multi-sports chains in North America. These bankruptcies are a clear sign of the far-reaching changes in consumer purchasing behaviour, changes that we are seeing to a lesser or greater degree in many countries. We therefore devoted a great deal of attention in the first half of the year to tightening our strategy and we will be giving consumers in many of the countries in which we are active a much more prominent role in this strategy.
In the first half of the year, we managed to sharply reduce working capital compared with year-end 2015. This was reflected in the considerable increase in free cash flow, which came in about €40 million higher than in the same period of last year.
For the second half of 2016, we expect to record higher turnover and profit, barring unforeseen circumstances".

Turnover per country / region

(amounts x € million)

The Netherlands	136	+1%
Germany	160	+20%
North America	73	-9%
Rest of Europe	238	+16%
Other countries	23	+14%
Total	**630**	**+10%**

Turnover per segment

Bicycles	490	+13%
Parts & accessories[1]	139	-1%
Total	**630**	**+10%**

[1] Turnover parts & accesories including turnover fitness equipment

Bicycles

Thanks to the strong growth in the sales of electric bikes, Accell Group was able to offset the impact of the poor weather conditions in the final months of the period. Turnover from electric bikes was up by 39%, largely driven by the strong growth in the sales of Accell's German brands. Turnover from traditional bikes fell by 15%, while turnover from sports bikes was stable. It should be noted that consumers frequently purchase electric bikes to replace their traditional or sports bike. This partly explains the drop in volumes of these bikes.

Turnover in the bicycle segment came in 13% higher at € 490.3 million in the first half of 2016 (first half of 2015: € 432.7 million). Accell Group sold a total of 908,000 bikes in the first half of 2016 (first half of 2015: 985,000 bikes). The average sales price came in 23% higher at € 541 (first half of 2015: € 439) per bike due to the fact that electric bikes and more expensive sports bikes accounted for a greater proportion of turnover. The operating result from the bicycle segment rose by 7% to € 49.6 million (first half of 2015: € 46.3 million).

According to provisional market figures, the total bicycle market in the Netherlands was around the same level as in the first half of 2015. Turnover from Accell Group brands in the Netherlands also came in at the same level as the year-earlier period, due to higher sales of E-bikes. The number of city and touring bikes sold was lower than in the year-earlier period. Many bicycle dealers in the Dutch market are active online, offering consumers low-price deals. There are also new market entrants that sell and deliver bicycles directly to consumers. Sparta was the first bike maker to launch a connected E-bike, the Sparta M8i.

Bicycle turnover in Germany was up 26% compared with the first half of 2015, largely due to the healthy sales of Haibike and Ghost performance E-bikes. The demand for this relatively new and special category of electric bikes has grown stronger this year. Accell Group is a trendsetter and market leader in this sub-segment in Europe. The growth in sales of more expensive sports bikes also continued, while sales of non-electric bikes and simpler mountain bikes were down in the first half of this year. In addition to the use of bikes for sporting purposes, there is a growing awareness of the benefits of cycling in Germany. More and more people are using bikes instead of cars.

Outside the Netherlands and Germany, many countries in the Rest of Europe are seeing a growing interest in electric bikes. The Haibike, Ghost and Lapierre brands in particular are responding effectively to this trend and are increasing sales, especially in sports electric bikes. For Accell Group, our main markets in terms of turnover are France, the United Kingdom, Belgium, Spain, Austria and Switzerland. Turnover in the Rest of Europe was up by 24%.

Turnover in North America fell by 3%. The Diamondback brand was confronted by two major bankruptcies of multi-sports chains, which led to USD 2 million in direct costs. On top of this, the company also faced indirect costs as a result of the loss of sales to those two chains and the price pressure in the market resulting from the liquidation sales of the inventories. The Ghost brand, which was launched in North America last year, recorded an increase in bike sales. Turnover from Raleigh bikes sold to the specialist retail trade was down, due in part to competitive pressures and difficult conditions in the North American specialist retail sector. Accell Group has taken the first steps towards omni-channel sales at the Raleigh brand, which has traditionally only delivered to bike dealers.

This will enable consumers to order bikes directly from the Raleigh website. The bikes will be delivered via bike dealers, who will receive a fee for the service. Sales in the electric bikes launched this year have increased, but the North American market is still small, in terms of both volumes and turnover.

The turnover in Other countries outside Europe rose by 8% and accounted for 4% of total turnover. Around half of this turnover is realised in Turkey, where turnover increased in the first half of this year. The remainder of the turnover came largely from Asian countries and Australia.

Parts & accessories

Turnover in the bicycle parts & accessories segment came in at € 139.4 million, slightly lower than in the year-earlier period (first half of 2015: € 141.1 million). Turnover came in higher when adjusted for the sale of Accell Group's North American bicycle parts and accessories activities. The segment operating result fell to € 8.3 million (first half of 2015: €10.3 million). This drop was due to margin pressure in Europe and the transfer of the North American operations.

The positioning of Accell group's own brands, with XLC the most important of these, is becoming ever more important. Also important in this positioning context is having exclusive licenses for parts (these are items for which Accell Group has exclusive sales rights in one or more countries). Having our own brands and exclusive licenses for brands makes us less dependent on other (sometimes less well known) brands, which can be sold by multiple suppliers.

Turnover in the Netherlands came in higher due to solid sales of our own brand XLC, as a well as higher demand for accessories and replacement parts for electric bikes. Turnover was stable in Germany, where Accell Group has a strong market position via Wiener Bike Parts. Exports from the Netherlands and Germany to other European countries were higher than in the year-earlier period. In North America, Accell group sold its parts & accessories operations effective 1 April, following which the North American business only offers a limited range of replacement parts and accessories for the Raleigh and Diamondback bike brands. Turnover was higher in the Rest of Europe, in which the United Kingdom, Spain and France are Accell Group's most important markets. Sales of parts and accessories in Other countries outside Europe remain limited.

Organisation

As of last year Accell Group made a number of radical changes in the field of supply chain management to improve performance in terms of meeting customer needs, logistics and purchasing. The company has since started to strengthen the group organisation and started to make changes in the management of purchasing and planning. The impact of these organisational changes is already clearly visible in several aspects of the supply chain, including a reduction in working capital.

To enable the company to compete more effectively in the fight to win the favour of consumers in the future, Accell Group is currently tightening its strategy on the marketing and distribution fronts. To make sure Accell Group can continue to serve consumers effectively, omni-channel strategies will be necessary in many counties. Part of this plan is to make it easier for consumers to order bikes directly (online), often in cooperation with specialist retailers.

Accell group also plans to stimulate the brand experience for consumers, with the 'De Fietser' (the cyclist) experience centre in the Netherlands as a trend-setting example of how to combine digital and physical brand experience. Bicycle sales via this channel will also continue to be in cooperation with specialist bike dealers.

Group turnover and profit

Net turnover rose by 10% to € 629.7 million in the first half of 2016 (first half of 2015: €573.8 million). This increase in turnover was entirely organic.

The absolute **added value** increased by 7% to € 192.3 million (first half of 2015: € 180.0 million). Added value (net turnover less material costs and inbound transport costs) as a percentage of turnover came in at 30.5% (first half of 2015: 31.4%). In the first half of this year, added value was negatively impacted by lower underlying margins compared with the year-earlier period and more discounts, largely due to the slightly higher sales of older models in relative terms.

Operating costs rose by 7% to € 139.9 million. As a percentage of turnover, costs came in at 22.2% (first half of 2015: 22.8%). The higher costs were partly related to the higher turnover and partly to higher expenditures for marketing and consultancy. The increase in consultancy costs was primarily related to the above-mentioned organisational changes in the supply chain and the tightening of the group strategy. These costs also include the one-off write-down of debts as a result of the bankruptcies of the two multi-sports chains in North America.

The **operating result** was 7% higher on the back of organic turnover growth. The operating result came in at € 52.4 million (first half of 2015: € 49.1 million), which translates into an operating margin of 8.3% (first half of 2015: 8.6%).

Financial expenses came in lower due to less currency exchange differences for positions held in foreign currencies. The average credit use was higher and average interest rates were slightly lower in the first half of 2016 than in the first half of 2015.

Taxes increased to € 14.4 million (first half of 2015: € 11.7 million) due to the sharply higher results in Germany and the limiting of capitalised tax losses in North America. This led to an increase in the average tax rate to 29.8% (first half of 2015: 26.8%).

Net profit rose by 7% to € 34.0 million in the first half of 2016. Net earnings per share came in at € 1.34 in the first half of 2016 (first half of 2015: € 1.28).

Financial position

In the first half of the year to 30 June 2016, Accell Group's fixed assets fell to € 203.1 million (30 June 2015: € 208.6 million). The movement in tangible fixed assets was limited; the impact of depreciations was offset by both replacement investments and new investments (including the experience centre 'De Fietser' in Ede). The movements in financial fixed assets were largely driven by the valuation and currency conversion of the pension claim of the UK pension fund.

On the **working capital** front, the movement in **inventories** is particularly notable**.** The reduction of inventories compared to the level of year-end 2015 was more rapid than in previous years, particularly when the difficult seasonal circumstances are taken into account.

Inventories have declined to € 295.2 million as at 30 June, compared with € 338.7 million at the end of December 2015. When compared to the end of June 2015, inventories are still higher, largely due to higher average cost prices for components and bicycles and lower sales in June. **Accounts receivable** remained at a comparable level totalling € 199.6 million at 30 June 2016 (30 June 2015: € 199.8 million) despite the increase in turnover in the first half of the year.

As of 30 June 2016, other short-term debt stood at € 185.5 million, which is an increase of € 26.9 million compared to 30 June 2015. The increase was largely due to the item **accounts payable,** which increased by € 18.8 million. Renegotiations of payment terms and the introduction of a Supplier Finance programme contributed to this improvement in working capital.

Total **net debt**, comprising interest-bearing loans, bank credit and cash positions, stood at € 158.7 million on 30 June 2016, in line with a year earlier (30 June 2015: € 159.6 million).

Net **cash flow** from operating activities increased to € 56.1 million (first half of 2015: € 15.5 million), mainly on the back of the reduction of inventories compared to year-end 2015. Free cash flow increased to € 49.4 million (first half of 2015: € 9.7 million).

Shareholders' equity currently stands at € 327.2 million, which translates into a solvency rate of 45.1% (30 June 2015: 45.3%). The movement of € 21.3 million in shareholders' equity seen in the first half of the year can among others be divided into the profit for the period (+ € 34.0 million), dividend payments (-/- € 8.8 million) and currency exchange rate differences (-/- € 3.7 million).

There were no material changes in the risks and uncertainties described in the 2015 annual report.

Outlook

Accell Group believes it will be able to realise continued growth in turnover in the second half of 2016 on the back of a strong range of innovative bicycles and Accell Group's leading position in electric bicycles. The full year result could be affected by discounts that may be necessary if inventories are still higher than average in September due to continued bad summer weather. Macro-economic developments, consumer confidence and the weather all impact the financial results of Accell Group. The underlying market trends remain positive. Based on the aforementioned and barring unforeseen circumstances, Accell Group expects to record an increase in turnover and profit in the second half of 2016 compared to the same period of 2015.

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About Accell Group

Accell Group N.V. focuses internationally on the mid-range and higher segments of the market for bicycles and bicycle parts & accessories. The company has leading positions in the Netherlands, Belgium, Germany, Italy, France, Finland, Turkey, the United Kingdom and the United States. In Europe, Accell Group is the market leader in the bicycle market in terms of turnover. Accell Group's best known brands are Batavus (Netherlands), Sparta (Netherlands), Koga (Netherlands), Loekie (Netherlands), Ghost (Germany), Haibike (Germany), Winora (Germany), Raleigh and Diamondback (UK, US, Canada), Lapierre (France), Tunturi (Finland), Atala (Italy), Redline (US) and XLC (international).

Accell Group and its subsidiaries employ approximately 3,000 people in eighteen countries worldwide. The company has production facilities in the Netherlands, Germany, France, Hungary, Turkey and China. Accell Group products are sold in more than seventy countries. The company's headquarters are located in Heerenveen (the Netherlands). Accell Group shares are traded on the official market of Euronext Amsterdam and included in the Amsterdam Small Cap index (AScX). In 2015, Accell Group recorded profitable turnover of € 986 million.

Press conference

Today, 22 July 2016, Okura Hotel, Amsterdam (Otter Esperance zaal), **reception 9.30 am; start 10.00 am**

Analyst meeting

Today, 22 July 2016, Okura Hotel, Amsterdam (Otter Esperance zaal), **reception 11.00 am; start 11.30 am**

For further information:

Accell Group N.V.
René Takens, Chairman of the Board of Directors (CEO) +31 (0)513 638701
Hielke Sybesma, member of the Board of Directors (CFO) +31 (0)513 638702
Website: www.accell-group.com

Financial calendar 2016

- Publication trading update 15 November 2016

Annexes:

- Condensed consolidated income statement
- Condensed consolidated balance sheet
- Condensed consolidated statement of comprehensive income
- Condensed consolidated statement of changes in equity
- Condensed consolidated statement of cash flows
- Notes to the consolidated interim financial statements

Condensed consolidated income statement (1)

(in thousands of euros)	For the six months ending 30 June	
	2016	2015
Net turnover	**629.693**	**573.769**
Costs of raw materials and components	-437.431	-393.769
Personnel costs	-62.770	-61.993
Depreciation	-5.615	-5.195
Other operating expenses	-71.517	-63.681
Operating result	**52.360**	**49.131**
Income from non-consolidated companies	466	-
Financial income and expenses	-4.472	-5.573
Profit before taxes	**48.354**	**43.558**
Taxes	-14.387	-11.686
Net profit	**33.967**	**31.872**
Earnings per share (in euro)		
Earnings per share	1,34	1,28
Weighted average number of issued shares	25.410.258	24.959.617
Earnings per share (diluted)	1,33	1,27
Weighted average number of issued shares (diluted)	25.577.424	25.111.013

(1) The interim financial statements are unaudited.

Condensed consolidated balance sheet (1)

Before profit appropriation (in thousands of euros)

	30 June 2016	31 December 2015	30 June 2015
			revised (2)
ASSETS			
Non-current assets			
Property, plant & equipment	70.247	69.771	67.523
Intangible assets	102.944	103.245	104.405
Financial fixed assets	29.913	31.820	36.709
Current assets			
Inventories	295.163	338.684	251.825
Receivables	199.614	165.921	199.844
Other financial instruments	5.246	6.048	3.191
Cash and cash equivalents	21.901	14.236	18.152
Total assets	**725.028**	**729.725**	**681.649**

	30 June 2016	31 December 2015	30 June 2015
			revised (2)
EQUITY & LIABILITIES			
Group equity	**327.192**	**305.941**	**308.505**
Non-current liabilities			
Interest-bearing loans	53.822	58.963	64.859
Provisions (3)	18.768	18.713	19.138
Other non-current liabilities	10.347	11.565	13.915
Current liabilities			
Interest-bearing loans and bank overdrafts	126.792	155.242	112.858
Other financial instruments	2.642	3.209	3.770
Other current liabilities	185.465	176.092	158.604
Total equity & liabilities	**725.028**	**729.725**	**681.649**

(1) The interim financial statements are unaudited.

(2) Comparative information 2015 has been adjusted due to the retrospective application of an accounting change in respect of the UK pension asset.

(3) Provisions include non-current and current.

Condensed consolidated statement of comprehensive income (1)

(in thousands of euros)	For the six months ending 30 June	
	2016	2015
		revised (2)
Net profit	**33.967**	**31.872**
Items that will never be reclassified to profit or loss		
Remeasurement of the defined benefit liability (asset)	-955	-
Related tax	192	-
Items that are or may be reclassified subsequently to profit or loss		
Foreign operations - foreign currency translation differences	-3.737	8.553
Cash flow hedges	1.165	-6.003
Related tax	-291	1.437
Total comprehensive income	**30.341**	**35.859**

(1) The interim financial statements are unaudited.

(2) Comparative information 2015 has been adjusted due to the retrospective application of an accounting change in respect of the UK pension asset.

Condensed consolidated statement of changes in equity (1)

(in thousands of euros)

	Total equity 2016	Total equity 2015
		revised (2)
Balance at 1 January	**305.941**	**281.107**
Net profit	33.967	31.872
Other comprehensive income	-3.626	3.987
Total comprehensive income	**30.341**	**35.859**
Dividends	-8.793	-8.654
Other	-297	193
Balance at 30 June	**327.192**	**308.505**

(1) The interim financial statements are unaudited.

(2) Comparative information 2015 has been adjusted due to the retrospective application of an accounting change in respect of the UK pension asset.

Condensed consolidated statement of cash flows (1)

(in thousands of euros)	For the six months ending 30 June	
	2016	2015
Cash flow from operating activities		
Profit for the period	33.967	31.872
Adjustments for:		
- Depreciation and amortisation	5.615	5.195
- Net finance cost	4.472	5.573
- Share of profit from non-consolidated companies	-466	-
- Equity-settled share-based payment transactions	237	205
- Tax expense	14.387	11.686
	58.212	**54.531**
Change in:		
- Working capital and provisions	16.087	-30.322
Cash generated from operating activities	**74.299**	**24.209**
Interest paid	-5.434	-6.285
Taxes paid	-12.723	-2.397
Net cash from operating activities	**56.142**	**15.527**
Cash flow from investing activities		
Interest received	288	-
Dividends received	79	23
Acquisition of a subsidairy, net of cash acquired	-209	-1.814
Acquisition and disposal of fixed assets	-6.892	-3.997
Net cash used in investing activities	**-6.734**	**-5.788**
Free cash flows (2)	**49.408**	**9.739**
Cash flow from financing activities		
Changes in term loans, revolving credit facility and bankoverdrafts	-32.682	2.916
Dividends paid	-8.793	-8.654
Cash-settled share-based payments	-526	-12
Net cash from (used in) financing activities	**-42.001**	**-5.750**
Net increase (decrease) in cash and cash equivalents	**7.407**	**3.989**
Cash and cash equivalents at 1 January	14.236	13.529
Effect of exchange rate fluctuations on cash held	258	634
Cash and cash equivalents at 30 June 2016	**21.901**	**18.152**

(1) The interim financial statements are unaudited.

(2) Free cash flows is defined as the balance of net cash flows from operating activities and net net cash used in investment activities

Notes to the condensed consolidated financial statements

1. General information

Accell Group N.V. ("Accell") is a company domiciled in Heerenveen, the Netherlands. These condensed consolidated interim financial statements ("interim financial statements") as at and for the six months ended 30 June 2016 comprise Accell and its subsidiaries (together referred to as "Accell Group"). Accell Group is primary involved in the design, development, production, marketing and sales of innovative and high-quality bicycles and bicycles parts and accessories.

2. Basis of accounting

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the group's last annual consolidated financial statements as at and for the year ended 31 December 2015 ("last financial statements"). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Accell Group's financial position and performance since the last financial statements.

These interim financial statements are unaudited.

3. Use of judgements and estimates

In preparing these interim financial statements, Accell Group has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by Accell Group in applying Accell Group's accounting policies and key sources of estimation uncertainty were the same as those applied to the last financial statements.

a. Measurement of fair values

When measuring the fair value of an asset or liability, Accell Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability are not based on observable market data (unobservable inputs)

Further information about the assumptions made in measuring fair values is included in note 11 – financial instruments.

4. Adjustment valuation pension asset

During 2015 the valuation of the UK pension plan has been adjusted following a recommendation by the Netherlands Authority for the Financial Markets ("AFM"). The nature and amount of the prior period adjustment has been fully disclosed in the last financial statements, in which the opening balance of assets, liabilities and equity for the year 2014 has been restated. As a result the prior periods presented in these interim financial statements have been restated as well.

5. Operating segments

Information about reportable segments

(in millions of euros)	For the six months ending 30 June			
	Bicycles		**Parts & accessories**	
	2016	**2015**	**2016**	**2015**
External revenues	490.3	432.7	139.4	141.1
Segment profit (loss) before tax	49.6	46.3	8.3	10.3

Reconciliation of reportable segment profit or loss

(in thousands of euros)	For the six months ending 30 June	
	2016	**2015**
Total profit before tax of reportable segments	57.9	56.6
Unallocated amounts:		
- Share of profit of non-consolidated companies	0.5	-
- Financial income	0.3	0.2
- Financial expense	(4.8)	(5.8)
- Other operating expenses	(5.5)	(7.4)
Consolidated profit (loss) before tax from continuing operations	**48.4**	**43.6**

6. Seasonality of operations

Accell Group operates in an international bicycle market, which has a fixed seasonal pattern but can still vary per country. The bicycle season in Europe and North America, where the company has most of its operations, runs from September to August. Each year at the start of the new season Accell Group launches its new bicycle collections.

Peaks in bicycle deliveries across the season vary from year to year, but are virtually always – and partly depending on the weather – in the period from February through August. The season for Parts & accessories has a more level sales pattern and runs from February through November, also with differences per sales market. Due to this seasonality more turnover is generated in the six months ending 30 June than in the six months ending 31 December.

7. Changes in composition of Accell Group

No material changes in the composition of Accell Group occurred in the six months ending 30 June 2016.

Minor changes in the composition of Accell Group relate to:

- In May 2016 the Group sold its parts & accessories activities of Seattle Bike Supply (SBS) in the United States of America to Hawley-Lambert, a P&A company based in the USA and Canada. No transaction gain or loss was recorded.
- In April 2016 Accell Group furthermore acquired a controlling interest in Von Backhaus ApS (100%); its pre-existing interest was 40%. The total consideration transferred was a cash consideration of EUR 0.2 million.

8. Pension asset

For interim reporting purposes the net pension asset of the UK pension plan, included in financial fixed assets, has been remeasured. Both the fair value of the scheme assets and the present value of the funded obligations increased, resulting in a net decrease of EUR 1.0 million in the net pension asset. The fall of the Pound to Euro exchange rate resulted in translation loss of EUR 2.0 million, totaling the decrease in the net pension asset to EUR 3.0 million.

9. Tax expense

Tax expense is based on Accell Group's best estimate of the weighted-average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period.

Accell Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2016 was 29.8% (six months ended 30 June 2015: 26.8%). The main change in effective tax rate was caused by a more significant contribution of German operations to the pre-tax income of Accell Group and by not capitalizing carry forward losses in North America.

10. Capital and reserves

Issues of ordinary shares

As of 31 December 2015 was 25,270,327 ordinary shares have been issued and paid in full. In February a total of 27,613 ordinary shares were issued as a result of the vesting of conditional shares arising from the restricted share programme by the Board of Directors and managing directors. In May 536,296 ordinary shares were issued in respect of stock dividend and added to the outstanding share capital.

As per 30 June 2016, the number of outstanding shares amounted to 25,834,236; the weighted average number of outstanding shares amounted to 25,410,258 over the six months ended 30 June 2016.

The company has a long-term incentive plan for the Board of Directors and a number of managing directors. In event of full exercise of the option entitlements granted to date and the vesting of the conditional shares the number of issued ordinary shares would increase by 0.6%.

Dividends

On 26 April 2016, the Annual General Meeting of Shareholders approved a dividend payment of €0.72 per ordinary outstanding share for the financial year 2015 to be paid out in cash or stock. Following the expiration of the option period shareholders representing 52% of the total number of outstanding ordinary shares have chosen to receive the dividend in stock. As a result 536,296 shares were issued and added to the outstanding ordinary shares and a cash dividend of € 8,793,000 was paid out.

11. Financial instruments valued at fair value

The following table shows the fair values of financial instruments valued at fair value. It does not include fair value information for financial instruments not measured at fair value.

Financial instruments measured at fair value

(in thousands of euros)	30 June 2016	31 December 2015
Interest rate swaps used for hedging	(2,642)	(3,209)
Forward exchange contracts used for hedging	5,246	6,048

The fair value of interest rate swaps is estimated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap-rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar resources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of Accell Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.

The fair value of forward exchange contracts is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

In respect of the fair value hierarchy these fair values are categorized in level 2: the fair value of these instruments is determined on the basis of inputs other than quoted prices that are observable for the asset or liability. In the six months ended 30 June 2016 no transfers occurred between the levels of the fair value hierarchy.

Directors’ responsibility statement

The Board of Directors is responsible for setting up and monitoring the efficiency of the internal risk management and internal control system. The Board of Directors would like to state at this point that the internal risk management and internal control system is intended to identify and control significant risks to which the company is exposed, with due consideration for the nature and scope of the organization. Such a system does not provide absolute certainty that objectives will be realized. Similarly, it is not possible to completely prevent potential material errors, damage, fraud or the violation of statutory regulations. Actual effectiveness can only be assessed on the basis of the results across a longer period of time.

With reference to article 5.25d paragraph 2c of the Dutch Financial Supervision Act (“Wft”) and with due observance of the above notes regarding the set-up and operation of the internal risk management and internal control system the Board of Directors state that, as far as they are aware, the financial report as included on pages 8 up to 11 of this report provides a true representation of the assets, liabilities and the financial position on the balance sheet date as well as the profit for the first half-year of Accell Group N.V. and the companies included jointly in the consolidation, and the report as included on the pages 1 to 5 of this report provides a true representation of the information as required under article 5.25d paragraph 8 and 9 of the Financial Supervision Act (“Wft”).

Board of Directors
R.J. Takens, CEO
H.H. Sybesma, CFO
J.M. Snijders Blok, COO
J.J. Both, CSCO