

# Presentation First-half results 2007

Okura Hotel, Amsterdam  
20 July 2007

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# Agenda

## Summary

Development segments and countries in first half 2007

Accell Group shares

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Outlook

## First-half Accell Group

- Increase in turnover compared with 1<sup>st</sup> half 2006 +14% to €275 million
- Net profit from ordinary operations +52% to €16 million
- Earnings\* per share + 48% to €1.72
- EBIT more than 9% of turnover
- Growth:
  - Bicycles / bicycle parts & accessories + 15%
  - Fitness + 3%

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



# Key developments in the first half of 2007

- Acquisition of Brasseur effective as per 1 April 2007
- Good weather during spring in Europe
- Increased sales of electric bicycles in the Netherlands and Germany
- Increase in average price
- N.M.a. fine ruling

## Turnover growth in first half of 2007

- Turnover growth 14%
  - ▶ 10% organic growth (2006: 7%)
  - ▶ 4% acquisition growth
- Organic growth due mainly to:
  - Emphasis on marketing
  - Good weather
  - Increase in sales of electric bicycles
  - Increased sales in Germany

## Summary first-half results

(x € million)	30-6-2006	31-12-2006	30-6-2007
Turnover	242.0	431.7	275.5
Net profit from ordinary operations	10.6	18.4	16.1
Earnings per share <sup>1)</sup> (€)	1.16	2.00	1.72
Solvency	38.8%	37.9%	39.0%
Balance sheet total	219.9	242.6	258.3
Share price (€)	25.55	26.00	30.33

<sup>1)</sup> Earnings per share is calculated on the basis of net profit from ordinary operations

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**Development segments and countries in first half 2007**

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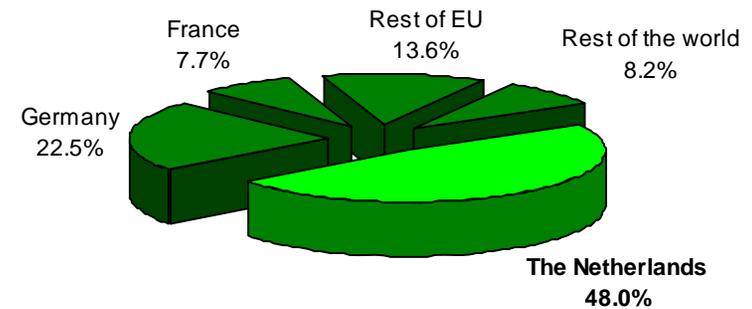
## Bicycles / bicycle parts & accessories

- Turnover increase + 15% to € 256.3 million
- Higher inventories made it possible to deliver effectively early in the year
- 561,000 bicycles sold (2006: 540,000)
- Average price of bicycles higher at € 378 (2006: € 342) due to fewer private label and children's bicycles and more in other product groups
- Continued focus on middle and top segments of the market

# Fitness

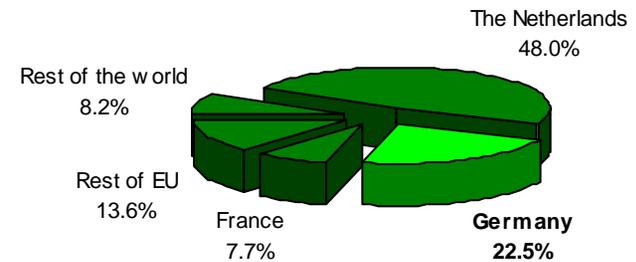
- Turnover increased less to € 19.2 million (+3%)
- Less growth due to lower sales in Europe due to good weather in February
- Profit negatively impacted by lower growth
- Well-filled order book for remainder of the year

## The Netherlands



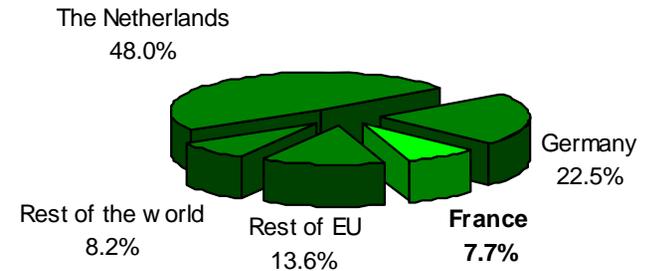
- Turnover Accell Group in the Netherlands rose by 13% to € 132 million, largely due to higher average price per bicycle
- Increase in the number of electric bicycles sold
- Once again turnover growth spare parts & accessories, due in part to a wider product range

# Germany



- Turnover in Germany rose by 20% to € 62 million as a result of:
  - The good spring
  - Increased turnover in spare parts
  - Launch of electric bicycles
- Decision to combine Hercules and Winora at one location from which sales organisations operate independently and where all back-office activities have been integrated

## France



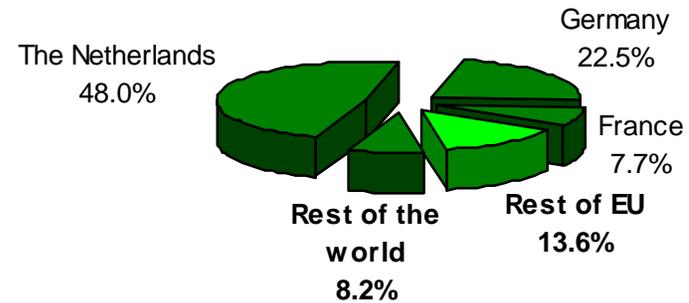
- Turnover -6% to € 21 million as Mercier has largely stopped deliveries to hypermarkets
- Turnover Lapierre grew again compared to the same period in 2006
- Sales of Mercier largely stopped and production at Mercier cut back to assembly of Lapierre and JC Decaux projects\*  
Project for Paris is produced entirely in Hungary.  
Other JC Decaux projects are produced at Mercier

\* JCD delivers bicycle projects to cities

“Grey / white” bicycles ready for their debut in Paris”  
(FD, 13 July 2007)

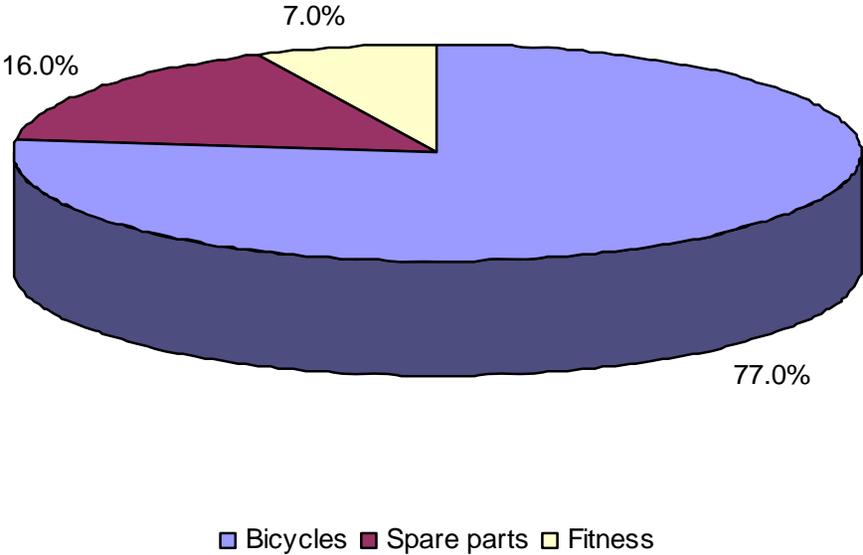


## Other



- Expansion in Hungary complete
- SBS in line with expectations
  - Start of bicycle programme for adults
  - Turnover spare parts continues to increase
  - Increase Redline (BMX) International

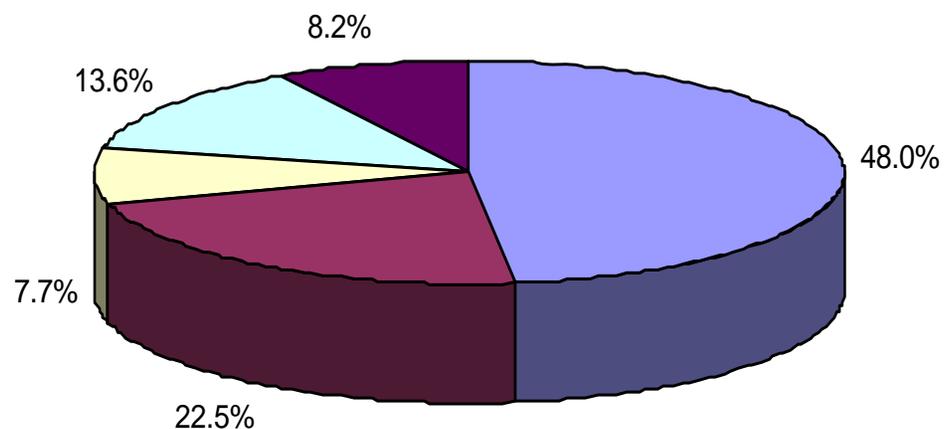
# Turnover per product group



(x € million)	H1 2006	H1 2007	
Bicycles	184.8	212.1	15%
Spare parts	38.5	44.2	15%
Fitness	18.7	19.2	3%
	<u>242.0</u>	<u>275.5</u>	14%



# Geographical distribution turnover



■ The Netherlands 
 ■ Germany 
 ■ France 
 ■ Rest of EU 
 ■ Rest of the world

(x € million)	H1 2006	H1 2007	
The Netherlands	117.2	132.2	13%
Germany	51.6	62.1	20%
France	22.6	21.2	-6%
Rest of EU	32.0	37.4	17%
Rest of the world	18.6	22.6	22%
	<u>242.0</u>	<u>275.5</u>	14%

Half-year results 2007 - Amsterdam - 20 July 2007

## Court ruling on N.M.a. fine

- Fine lowered to € 4.6 million from € 11.5 million
- Part of accusation declared unfounded
- Court is of the opinion that competition-sensitive information was exchanged (contrary to the opinion of Accell)
- A provision of € 4.6 million taken in these half year figures
- Appeal is being considered
- No impact on operational results

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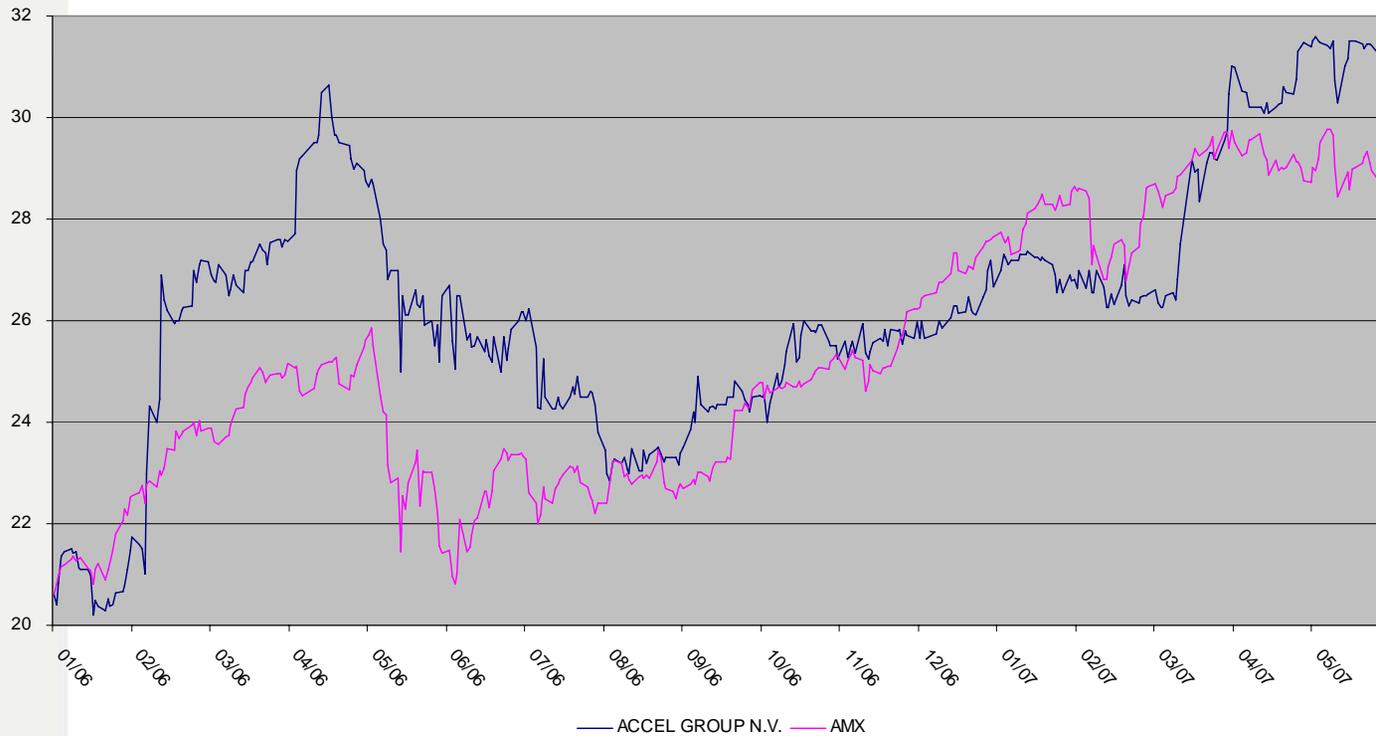
**Accell Group shares**

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# Share price 1 January '06 through 30 June '07



Half-year results 2007 - Amsterdam - 20 July 2007

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## Profit & loss statement

(x € million)	H1 2006	2006	H1 2007	
<b>Net turnover</b>	242.0	431.7	<b>275.5</b>	14%
Cost of materials	152.1	272.6	<b>170.2</b>	12%
Other expenditure	72.4	129.0	<b>79.8</b>	10%
<b>Operating result (EBIT)</b>	<u>17.5</u>	<u>30.1</u>	<u><b>25.5</b></u>	45%
Interest charges	2.2	3.9	<b>3.2</b>	43%
Taxes	4.8	7.9	<b>6.2</b>	31%
<b>Net profit from ordinary operations</b>	10.6	18.4	<b>16.1</b>	52%

## Results development

- Turnover up 14% compared with the first half of 2006
- Average price of a bicycle increased to € 378 (H1 2006: € 342)
- Operating profit result increased to € 25.5 million, from € 17.5 million
- Operating profit as a percentage of turnover increased to 9.2% from 7.3%

## Materials costs

(x €million)	H1 2006	% turnover	<b>H1 2007</b>	<b>% turnover</b>
Turnover	242.0	100%	<b>275.5</b>	<b>100%</b>
Materials	152.1	62.8%	<b>170.2</b>	<b>61.8%</b>
Value-added	<u>89.9</u>	37.2%	<b><u>105.3</u></b>	<b>38.2%</b>

# Operational expenses

(x € million)	H1 2006	% turnover	H1 2007	% turnover
Personnel costs	36.5	15.1%	37.2	13.5%
Depreciation	2.8	1.2%	3.3	1.2%
Other operating expenses	33.1	13.7%	39.4	14.3%
Total	<u>72.4</u>	29.9%	<u>79.8</u>	29.0%

## Balance sheet, assets

Assets (x € million)	30-6-2006	31-12-2006	30-6-2007
<i>Fixed assets</i>			
Intangible fixed assets	12.3	12.4	13.5
Tangible fixed assets	44.6	48.7	51.5
Financial fixed assets	6.2	9.0	9.5
	<u>63.1</u>	<u>70.2</u>	<u>74.5</u>
<i>Liquid assets</i>			
Inventories	84.4	106.6	97.7
Accounts receivable	72.4	65.8	86.0
Cash and cash equivalents	0.1	0.1	0.1
	<u>156.8</u>	<u>172.4</u>	<u>183.8</u>
<b>Total assets</b>	<u>219.9</u>	<u>242.6</u>	<u>258.3</u>

## Working capital

(x € million)	30-6-2006	31-12-2006	30-6-2007	increase '06 ->'07
Inventories	84.4	106.6	97.7	16%
Accounts receivable	67.0	59.3	76.4	14%
Accounts payable	32.8-	39.3-	32.5-	-1%
Total	<u>118.6</u>	<u>126.6</u>	<u>141.6</u>	19%

### Inventories:

- Inventories increase in line with increase in turnover
- Effect acquisitions (Webena and Brasseur) is € 2.8 million

### Accounts receivable:

- Effect acquisitions (Webena and Brasseur) is € 1.6 million
- Increase in accounts receivable also in line with turnover growth

## Balance sheet, liabilities

Liabilities (x € million)	30-6-2006	31-12-2006	30-6-2007
Shareholder's equity	85.4	91.9	100.7
Subordinated loan	3.0	2.5	2.0
Provisions	11.8	11.6	18.3
Long-term loans	21.4	36.5	36.9
Bank credit	40.2	48.2	44.7
Short-term debt	58.1	51.8	55.7
<b>Total liabilities</b>	<u>219.9</u>	<u>242.6</u>	<u>258.3</u>

# Cash flow

(x € million)	H1 2006	H1 2007
Net profit from ordinary operations	10.6	16.1
Provision N.M.a.-fine	0.0	-4.6
Depreciations	2.8	3.3
Payments based on shares	0.1	0.1
Changes in provisions	0.7	6.1
Operational cash flow before working capital	<u>14.2</u>	<u>20.9</u>
Changes in working capital	<u>-8.3</u>	<u>-5.0</u>
Cash flow from operational activities	5.9	16.0
Cash flow relating to investment activities (including acquisitions)	-15.7	-9.0
Free cash flow	-9.9	7.0

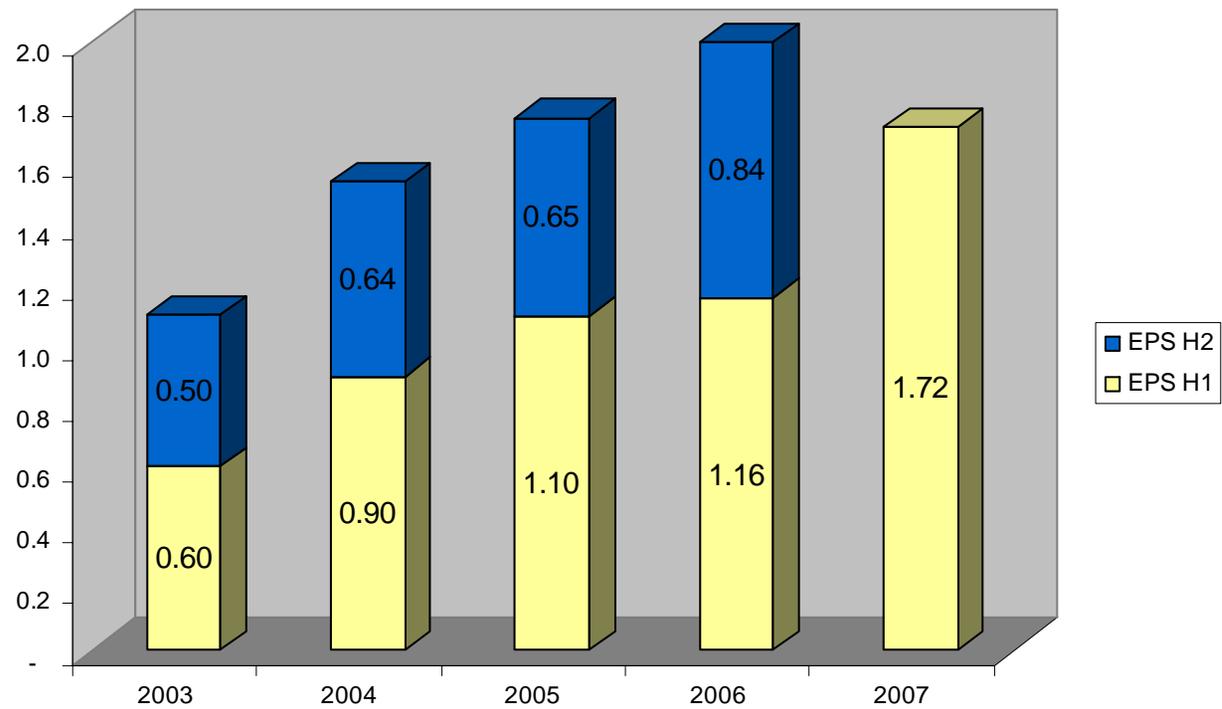
## Exercise of optional dividend

Number of outstanding shares as per 1-1-2007:	9,251,838
Issue of shares as a result of option exercise	46,000
Optional dividend	
65% of dividend rights paid out as stock dividend:	195,112
Number of outstanding shares as per 30-6-2007:	9,492,950
Weighted number of outstanding shares as per 30-6-2007:	9,319,101

# Ratios

	6/30/2006	12/31/2006	6/30/2007
Operating result / Turnover	7.3%	7.0%	9.2%
Solvency	38.8%	37.9%	39.0%
<b>Per share (€)</b>			
Shareholder's equity	9.39	10.02	10.81
Net profit from ordinary operations	1.16	2.00	1.72

## Development earnings per share from ordinary operations



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## Accell Group will continue to invest...

- Continuation of investments in innovative products that appeal to consumers
- Marketing
  - Research into wishes of consumers and dealers
  - Communicating what we have to offer to both consumers and dealers
  - Close cooperation with dealers that can provide consumers with high-quality service and communicate the distinctive potential of our products

## Outlook

- The outlook for the remainder of the year is positive. For the next season, we expect further growth in electric bicycle sales as a result of the introduction of new models.
- Accell continues to look for suitable acquisitions
- For the full-year 2007, we expect a rise in net profit from ordinary operations of around 35% (barring unforeseen circumstances)



# ***ACCELL GROUP***



Half-year results 2007 - Amsterdam - 20 July 2007