FINANCIAL STATEMENTS 2013

CONSOLIDATED BALANCE SHEET

Before profit appropriation (in thousands of euros)

	31-12-2013		31-12-2012 revised		01-01-2012 revised	
Assets						
Non-current assets						
Property, plant and equipment (9)	65,797		71,200		55,670	
Goodwill (10)	53,652		53,307		34,022	
Other intangible fixed assets (11)	39,390		38,626		16,008	
Non-consolidated subsidiaries (12)	4,526		4,549		4,569	
Deferred tax assets (19)	11,285		10,173		4,694	
Net pension assets (18)	1,564		1,022		0	
Other financial fixed assets (13)	2,463		2,692		2,683	
		178,677		181,569		117,646
Current assets						
Inventories (14)	238,308		269,111		189,087	
Trade receivables (15)	99,495		104,493		85,576	
Other financial instruments (22)	0		0		7,626	
Tax receivables	8,864		12,452		10,178	
Other receivables	18,622		15,534		11,184	
Cash and cash equivalents	15,907		6,552		4,259	
		381,196		408,142		307,910
Assets held for sale (27)		**19,711**				
Total assets		**579,584**		589,711		425,556

The figures following the various items refer to the notes on pages 120 to 155.

	31-12-2013		31-12-2012		01-01-2012	
				revised		revised
Equity & liabilities						
Group equity (16)						
Share capital	244		239		211	
Reserves	220,719		216,254		166,487	
Net profit for the year	19,020		23,292		40,277	
		239,983		239,785		206,975
Non-current liabilities						
Interest-bearing loans (17)	103,313		15,780		47,994	
Pension provisions (18)	5,506		7,336		4,994	
Deferred tax liabilities (19)	9,681		9,938		6,404	
Provisions (20)	5,330		4,440		4,568	
Deferred income (21)	2,462		2,157		2,124	
		126,292		39,651		66,084
Current liabilities						
Interest-bearing loans and bank overdrafts (17)	96,087		134,617		71,918	
Trade payables	71,238		132,782		52,711	
Other financial instruments (22)	9,027		8,799		4,708	
Current tax liabilities	12,455		12,518		7,026	
Provisions (20)	6,635		4,015		2,676	
Deferred income (21)	650		1,000		1,000	
Other liabilities	16,547		16,544		12,458	
		212,639		310,275		152,497
Liabilities held for sale (27)		**670**				
Total equity & liabilities		**579,584**		589,711		425,556

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)

	2013	2013	2012	2012
				revised
Net turnover (1)		**848,971**		772,546
Costs of raw materials and components	589,431		526,183	
Cost of inventory change	552		226	
Personnel costs (2)	106,615		101,552	
Depreciation and amortisation (3)	8,692		8,156	
Other operating expenses (4)	106,744		100,336	
		812,034		736,453
		36,937		36,093
Reorganisation costs (5)		-3,004		0
Reorganisation and termination costs Raleigh Canada (5)		-3,185		0
Compensation of costs Raleigh Canada (5)		3,185		0
Acquisition costs		0		-3,443
Operating profit		**33,933**		32,650
Income from non-consolidated subsidiaries (12)	489		188	
Financial income (6)	520		400	
Financial expenses (6)	-12,200		-7,337	
		-11,191		-6,749
Profit before taxes		**22,742**		25,901
Taxes (7)		-3,722		-2,609
Net profit		**19,020**		23,292
Earnings per share (8) (in euros)				
Earnings per share		0.79		1.00
Weighted average number of issued shares		24,195,467		22,897,471
Earnings per share (diluted)		0.78		0.99
Weighted average number of issued shares (diluted)		24,328,392		23,081,871

The figures following the various items refer to the notes on pages 120 to 155.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)

	2013		2012	
				revised
Net profit for the year		**19,020**		23,292
Items that will not be reclassified subsequently to the income statement				
Remeasurement of defined benefit obligations	1,177		-1,254	
Movements in deferred taxes	-30		232	
		1,147		-1,022
Items that may be reclassified subsequently to the income statement				
Fair value adjustment of financial instruments	-707		-11,067	
Exchange differences arising on translation of foreign operations	-8,425		-697	
Movements in deferred taxes	86		2,767	
		-9,046		-8,997
Total comprehensive income for the year		**11,121**		13,273

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euros)

	2013		2012 revised	
Cash flows from operating activities				
Operating profit	33,933		32,650	
Depreciation and amortisation (3)	8,695		8,158	
Share-based payments (2)	267		257	
Operating cash flows before changes in working capital and provisions		**42,895**		41,065
Movement in inventories	12,510		-44,691	
Movement in receivables	-1,631		27,673	
Movement in trade payables and other liabilities	-62,764		37,526	
Movement in provisions and deferred revenue	-1,784		-2,273	
	-53,669		18,235	
Cash flow from operating activities		**-10,774**		59,300
Interest paid	-9,931		-8,568	
Income taxes paid/received	-2,542		3,383	
Net cash flows from operating activities		**-23,247**		54,115
Cash flows from investing activities				
Interest received	634		597	
Investment in property, plant and equipment (9)	-6,727		-14,498	
Divestments of property, plant and equipment (9)	2,113		110	
Investments in intangible fixed assets	-1,128		-802	
Movements in financial fixed assets	-1,158		332	
Business combinations (23)	-1,392		-59,740	
Net cash flows from investing activities		**-7,658**		-74,001
Free cash flow [1)]		**-30,905**		-19,886
Cash flows from financing activities				
New loans	110,000		32,289	
Repayments of long-term loans	-72,005		-4,952	
Borrowing/repayments bank overdrafts	13,863		-24,442	
Cash dividend (24)	-10,836		-10,978	
Proceeds from issue of shares	0		30,808	
Stock and option plans	-352		-546	
Net cash flows from financing activities		**40,670**		22,179
Net cash flow		**9,765**		2,293
Effects of exchange rate changes on cash and cash equivalents		-410		0
Cash and cash equivalents as at 1 January		6,552		4,259
Cash and cash equivalents as at 31 December		**15,907**		6,552

[1)] Free cash flow is defined as the balance of the net cash flow from operating and investing activities and is not defined as a financial performance indicator in IFRS.


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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)

	Issued share capital	Share premium reserve	Revaluation reserve	Hedging reserve	Translation reserve	Other Statutory reserve	Other reserves	Result financial year	Total equity
2012									
Balance as at 1 January 2012	211	14,565	7,800	-126	-3,613	2,233	153,299	40,277	214,646
Changes in accounting policies			-7,800				129		-7,671
Revised balance as at 1 January 2012	211	14,565	0	-126	-3,613	2,233	153,428	40,277	206,975
Movements in statutory reserve intangible fixed assets						-293	293		0
Remeasurement of defined benefit obligations							-1,254		-1,254
Fair value adjustment of financial instruments				-11,067					-11,067
Movements in deferred taxes				2,767			232		2,999
Exchange differences arising on translation of foreign operations					-697				-697
Other comprehensive income for the year	0	0	0	-8,300	-697	-293	-729	0	-10,019
Net profit for the year							40,277	-16,985	23,292
Total comprehensive income for the year	0	0	0	-8,300	-697	-293	39,548	-16,985	13,273
Recognition of share-based payments (2)							257		257
Issue of shares	20	30,788							30,808
Cash dividend (24)							-10,978		-10,978
Stock dividend	7	-7							0
Options exercised and performance shares	1	-547							-546
Other movements						44	-48		-4
Balance as at 31 December 2012	239	44,799	0	-8,426	-4,310	1,984	182,207	23,292	239,785
2013									
Balance as at 1 January 2013	239	44,799	0	-8,426	-4,310	1,984	182,207	23,292	239,785
Movements in statutory reserve intangible fixed assets						-313	313		0
Remeasurement of defined benefit obligations							1,177		1,177
Fair value adjustment of financial instruments				-707					-707
Movements in deferred taxes				86			-30		56
Exchange differences arising on translation of foreign operations					-8,425				-8,425
Other comprehensive income for the year	0	0	0	-621	-8,425	-313	1,460	0	-7,899
Net profit for the year							23,292	-4,272	19,020
Total comprehensive income for the year	0	0	0	-621	-8,425	-313	24,752	-4,272	11,121
Recognition of share-based payments (2)							267		267
Cash dividend (24)							-10,836		-10,836
Stock dividend	5	-5							0
Options exercised and performance shares		-352							-352
Other movements						-141	139		-2
Balance as at 31 December 2013	**244**	**44,442**	**0**	**-9,047**	**-12,735**	**1,530**	**196,529**	**19,020**	**239,983**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2013

General information

Accell Group N.V. ('Accell Group') in Heerenveen, the Netherlands, is the holding company of a group of legal entities. An overview of the data required pursuant to articles 2:379 and 2:414 of the Netherlands Civil Code is enclosed on page 131 of the financial statements. Accell Group with its group of companies is internationally active in the design, development, production, marketing and sales of innovative and high-quality bicycles, bicycle parts and accessories and fitness equipment.

Accell Group's consolidated financial statements for the year ended 2013 have been prepared in accordance with International Accounting Standards Board (IASB) standards as approved by the European Commission which are applicable as of 31 December 2013.

The financial data of Accell Group are incorporated in the consolidated financial statements. An abbreviated income statement is therefore presented for the parent company, as permitted under article 2:402 of the Netherlands Civil Code.

Accounting policies

The financial statements have been prepared at historical cost, unless stated otherwise.

The accounting policies outlined below were applied consistently for all the periods presented in these consolidated financial statements.

Application of new and revised IFRS

Accell Group applied new and amended standards and interpretations applicable to the year under review, as determined by the IASB and approved by the European Commission, and which are applicable for the period commencing on 1 January 2013. The new and adjusted standards, applied in these financial statements have no material effect on the consolidated financial statements, except for the adjustments as a result of IAS 19R Employee Benefits. These effects are described in the following paragraph 'Changes in accounting policies'.

Disclosure requirements with regard to fair value which result from IFRS 13 Fair Value Measurement have been applied for the first time in the consolidated financial statements 2013. Accell Group periodically reviews significant changes in value. Where fair value measurement is based on external information, Accell Group assesses the evidence of fair value obtained from these third parties to verify that the measurement complies to IFRS requirements, including the hierarchy level of the fair values into which such measured amounts are classified.

Accell Group has elected not to apply the EU-approved standards IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities and the amendments to IFRS 7 relating to the netting of financial assets and financial liabilities before the 2014 financial year. None of these standards are expected to have a material effect on the consolidated financial statements, but a number of additional disclosures will be made in the notes.

No further explanation is provided regarding other changes and interpretations that were not yet approved by the European Commission on 31 December 2013.

Changes in accounting policies

In 2013 the following changes in accounting policies were made. As a result of these changes equity decreased by € 7.9 million as per 31 December 2012. As per 31 December 2012 the balance sheet total decreased by € 12.4 million.

Accounting policy changes

IAS 19R Employee benefits

IAS 19R is effective for financial years commencing on or after 1 January 2013. IAS 19 revised, eliminates the use of the corridor method and requires that actuarial results are recorded within the consolidated statement of comprehensive income.

The changes in IAS 19R led to an increase of the pension provision of € 2.0 million as per 31 December 2012 respectively € 0.7 million as per 1 January 2012. In addition this led to a decrease of other comprehensive income in 2012 amounting to € 1.0 million. The effect on the income statement in 2012 is limited.

The following adjustments are recognised:

Consolidated balance sheet

	31-12-2012	31-12-2012	01-01-2012	01-01-2012
	revised		revised	
	€ x 1.000	€ x 1.000	€ x 1.000	€ x 1.000
Pension provision	-12,574	-10,602	-4,994	-4,276
Equity	-246,181	-247,710	-214,139	-214,646
Deferred tax liabilities	-11,349	-11,792	-8,369	-8,580

Consolidated statement of comprehensive income

Remeasurement of defined benefit obligations	-1,254	0
Movement in deferred taxes	3,518	3,286
Total comprehensive income	12,505	13,527

Property, plant and equipment

In financial year 2013 Accell Group N.V. decided to change the accounting policies and to measure property at historical cost instead of fair value. The main reason for this is that most listed companies measure their real estate for own use at historical cost. This led to a decrease of property, plant and equipment of € 5.8 million as per 31 December 2012 respectively € 8.4 million as per 1 January 2012. Depreciation in the income statement 2012 is € 0.1 million lower. The effect of the reversed revaluation as a result of the appraisals in 2012 led to in an increase of other comprehensive income 2012 amounting to € 2.5 million.

The following adjustments are recognised:

Consolidated balance sheet

	31-12-2012	31-12-2012	01-01-2012	01-01-2012
	revised		revised	
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Property, plant and equipment	71,200	76,981	55,670	64,110
Equity	-243,340	-247,710	-208,171	-214,646
Deferred tax liabilities	-10,381	-11,792	-6,615	-8,580

Consolidated income statement

Depreciation	-8,156	-8,300
Taxes	-2,609	-2,574
Net profit	23,276	23,167

Consolidated statement of other comprehensive income

Net profit	23,276	23,167
Revaluation land and buildings	0	-2,515
Movements in deferred taxes	2,767	3,286
Total comprehensive income for the year	15,632	13,527

Adjustments of errors

Pension provision/goodwill

The position of the UK pension fund has been examined in more detail in 2013, also in the context of the changes in IAS 19R in combination with the application of IFRIC 14 on the recognition of a liability under funding agreements. This showed that the pension liability of € 5.4 million, which is included in the acquisition balance sheet of Raleigh does not need to be recorded, since the payments are ultimately for the beneficiary of the company. As a result the pension provision is adjusted in the acquisition balance sheet 2012 against goodwill in accordance with IFRS 3.50. Besides the related net pension asset of € 1.0 million is reclassified from the provisions to the net pension assets in the balance sheet as per 31 December 2012. In addition goodwill is reduced by € 1.0 million as a result of currency translation differences as per 31 December 2012. This has no effect on the income statement.

The following adjustments are recognised:

Consolidated balance sheet

	31-12-2012	31-12-2012
	revised	
	€ x 1,000	€ x 1,000
Goodwill	53,307	59,684
Deferred tax assets	10,173	11,409
Net pension asset	1,022	0
Pension provisions	-5,364	-10,602
Equity	-246,357	-247,710

Provisions

In financial year 2013 Accell Group N.V. decided to change the discounting of provisions. Until 2012 provisions were discounted using the Weighted Average Cost of Capital (WACC) instead of Cost of Debt. Based on IAS 37 provisions need to be discounted using a discount rate reflecting the risks specific to the liability. This led to an increase of provisions of € 0.7 million as per 31 December 2012 respectively € 0.7 million as per 1 January 2012.

The following adjustments are recognised:

Consolidated balance sheet

	31-12-2012	31-12-2012	01-01-2012	01-01-2012
	revised		revised	
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Provision deferred employee benefits	-1,801	-1,518	-966	-685
Warranty provisions	-5,474	-5,253	-4,992	-4,773
Deferred income	-3,157	-2,988	-3,124	-2,935
Equity	-247,037	-247,710	-213,957	-214,646

Consolidated income statement

Financial income and expenses	-6,937	-6,953
Net profit	23,183	23,167

Consolidation

The consolidated financial statements include the financial statements of Accell Group and its subsidiaries, being the group companies and other legal entities in which Accell Group has either a direct or indirect controlling interest with regard to the financial and operational policies.

The financial data of subsidiaries acquired during the year under review are consolidated from the date that Accell Group acquired a controlling interest. The financial data of subsidiaries disposed during the year under review are included in the consolidation until the date that Accell Group ceased to hold control. If necessary, the figures in the subsidiaries' financial statements are adjusted to bring the statements in line with the accounting standards applied by Accell Group.

The financial data of the consolidated subsidiaries are fully included in the consolidated financial statements after elimination of all intercompany balances and transactions. Unrealised profits and losses on intercompany transactions are eliminated from the consolidated income statement.

Subsidiaries and joint ventures with an equity participation of 50% or less and where Accell Group does not have control, are valued according to the equity method or valued proportional interest in the fair value. Unrealised profits on intercompany transactions are eliminated pro rata based on the Accell Group interest in the company. Unrealised losses are also eliminated pro rata but only to the extent that there is no evidence for impairment.

A list of consolidated subsidiaries and non-consolidated subsidiaries is provided in note 12 to the consolidated financial statements.

Business combinations

Acquisitions of subsidiaries are accounted for by the purchase accounting method. On acquisition date, the acquisition price is applied to the sum of the fair value of the assets acquired, the liabilities incurred or assumed and the equity instruments issued by Accell Group in exchange for the controlling interest in the company acquired.

Identifiable assets, liabilities and contingent liabilities of the companies acquired that meet the criteria for accounting under IFRS 3 are recorded at their fair value on the acquisition date. The changes in the fair value of contingent liabilities are accounted for in the income statement.

Costs relating to the acquisition of business combinations are expensed directly into the income statement.

Foreign currency

The income statement and balance sheet are stated in euros, which is the functional currency of Accell Group and the presentation currency for the consolidated financial statements. Receivables, debts and liabilities in foreign currencies are converted at the exchange rate on the balance sheet date.

In order to hedge its currency risks, Accell Group uses derivative financial instruments. The basis for these currency derivatives is detailed under 'Financial Instruments'.

Transactions in foreign currencies during the reporting period are recorded at the exchange rates applying on the transaction date insofar the currency is not part of a hedging instrument. Currency differences arising from this conversion are recorded in the income statement.

Assets and liabilities of foreign subsidiaries are translated using the exchange rates applicable on the respective balance sheet dates. The income statements of foreign subsidiaries are converted at the weighted average monthly exchange rates applying for the periods involved. Differences arising from this conversion are recorded as a separate component of shareholders' equity. These translation differences are recognised in the income statement at the time when the activities are sold.

Estimates

Accell Group makes certain estimates and assumptions when preparing the consolidated financial statements. These estimates and assumptions have an impact on assets and liabilities, disclosure of off-balance assets and liabilities at balance sheet date, and income and expense items for the period under review.

Important estimates and assumptions mainly relate to provisions, pensions and other employee benefits, goodwill and other intangible fixed assets, deferred tax assets and liabilities. Actual results may differ from these estimates and assumptions.

All assumptions, expectations and forecasts that are used as a basis for estimates in the consolidated financial statements represent an outlook as accurate as possible for Accell Group. These estimates only represent Accell Group's interpretation as of the dates on which they were prepared. Estimates relate to known and unknown risks, uncertainties and other factors that can lead to future results differing significantly from those forecasted.

Revenue recognition
Revenue comprise the fair value of the consideration received or receivable from sale of goods to third parties in the ordinary course of Accell Group activities, excluding any discounts granted and excluding value added taxes. Accell Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to Accell Group. Revenues related to the delivery of bicycles, bicycle parts and accessories and fitness equipment are recognised at the moment of delivery and/or transfer of legal title. Revenue from rendering services is accounted for in proportion to the services rendered as at balance sheet date.

Corporate income tax
Corporate income tax consists of taxes currently payable and deferred taxes. Taxes currently payable are based on the taxable result for the year and are calculated at the rates that are effective on the balance sheet date.

Differences between commercial and taxable results are caused by temporary and permanent differences. Deferred tax assets and liabilities are recorded for temporary differences between the values of assets and liabilities based on the accounting policies applied in these financial statements and those applied for tax purposes. The carrying value of deferred tax assets is assessed on each balance sheet date and is adjusted downwards insofar as it is unlikely that sufficient future taxable profits will be made.

Deferred taxes are calculated against the rate that is expected to apply at the time of settlement. Deferred taxes are recorded in the income statement, unless they are related to items that are directly included in shareholders' equity. In that case, the deferred taxes are also recorded in shareholders' equity.

Deferred tax assets and liabilities are offset if there is a legal right to do so and the same fiscal authority levies the taxes.

Share-based payments
The company's long term incentive plan for the Board of Directors comprises restricted shares and stock options. The Supervisory Board awards options and shares to the directors based on the realisation of targets set in agreement with the Board of Directors and the expected contribution that the members of the Board of Directors will make to the further development of the company. The option rights granted are unconditional once awarded and must be held for at least three years after they are awarded and have a maximum duration of five years. Restricted shares awarded since 2009 are conditional. Two years after the initial award, the definitive number of restricted shares will be determined based on the total shareholders' return of Accell Group shares compared to the total return of the Midcap index of Euronext in Amsterdam. After the definitive award, restricted shares have to be held for another two years.

In addition, the company also has a restricted share plan for directors of subsidiaries that have made a significant contribution to the results of Accell Group. After closing the financial year, conditional shares are allocated to the directors if the pre-determined targets for the financial year have been achieved. These shares become unconditional when a participating director remains in the employment of the company three years after the conditional award.

The option rights and share plans qualify as share-based payment transactions that can be settled in equity instruments and are stated at fair value when awarded. This fair value is recorded as an expense on a straight-line basis during the awarding period, based on the company's estimate of the shares that will ultimately be awarded and adjusted to compensate for the effect of non-market-standard awarding conditions. The fair value of the option rights is determined using an option valuation model. The expected life used in the model is adjusted, according to the company's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

Lease agreements

Lease agreements are classified as financial lease agreements if the economic benefits and obligations related to the underlying asset are largely at the risk and for the account of Accell Group. All other lease agreements are classified as operational lease agreements.

Lease payments for operational lease agreements are charged to expenses on a straight-line basis over the duration of the agreement.

Property, plant and equipment

Property, plant and equipment are valued at historical cost less accumulated depreciation and any accumulated impairments. Subsidies received which directly relate to property, plant and equipment are deducted from the historical cost.

Depreciation is calculated on the basis of the straight-line method. As such, the cost price, less any residual value, is depreciated over the expected economic life. Land is not depreciated.

The estimated economic useful life per category is:

Buildings:	30 – 50 years
Machinery and equipment:	3 – 10 years

The gain or loss of divestments of property, plant and equipment is determined as the difference between the proceeds from sale and the carrying value of the asset. The gain or loss is accounted for in the income statement.

Impairment of non-current assets other than goodwill

On each balance sheet date, Accell Group reviews whether there is any indication that non-current assets may be subject to impairment. If there is such indication, the recoverable amount of the asset involved is estimated in order to determine the extent to which impairment may apply. If it is not possible to determine the recoverable amount of the individual asset, then Accell Group determines the recoverable amount of the cash generating unit to which the asset belongs.

Impairment applies if the carrying value of an asset exceeds its recoverable amount. The recoverable amount is equal to the proceeds or value in use, whichever is the greater; the value in use being the present value of the expected future cash flows from the use of the asset and its ultimate disposal. A pre-tax discount percentage is applied to determine present value, whereby the percentage provides a good indication from the assessment of the current market conditions regarding time value of money and the asset's specific risks.

Impairment is charged to the income statement in the period in which it occurs, unless it relates to a revalued asset. In that case, the impairment is accounted for as a reduction of the revaluation.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities at the time the subsidiary was acquired. Goodwill is measured at cost less any accumulated impairments. Goodwill resulting from the acquisition of a foreign activity is expressed in the functional currency of the foreign activity and is converted at the exchange rate on balance sheet date.

To determine whether any impairment has taken place, goodwill is attributed to the (group of) cash-generating units of Accell Group that are expected to benefit from the synergy created by the combination. Goodwill is tested for impairment annually or more frequently if there is any indication that goodwill might have to be impaired. If the recoverable amount of the (group of) cash- generating units is less than its carrying amount, the impairment loss reduces the carrying amount of the goodwill.

The recoverable amount of a cash-generating unit is determined based on the value in use, which is based on expected cash flows. These cash flows are based, among other things, on realised results in the past. Once a goodwill impairment loss is recognised, it is not reversed in a subsequent period.

Upon the disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss upon disposal.

Other intangible fixed assets

Trademarks, patents and customer lists

Intangible assets include trademarks, patents and customer lists, acquired in a business combination by Accell Group and recognised separately from goodwill. Separately acquired intangible fixed assets are stated at fair value. Intangible fixed assets with a limited life, such as patents and customer lists, are depreciated on a straight-line basis against the income statement over the expected economic life, for patents generally estimated at five years and for customer lists generally estimated at ten to twenty years. Assets with an indefinite useful life, such as trademarks, are not depreciated, but are tested on impairment, as described under goodwill. Trademarks have an indefinite useful life, because the brands acquired are positioned in the middle and upper segments and mostly have a long history and tradition in the local and international markets in which they operate.

Research & Development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An intangible asset arising from development is recognised if, and only if, all the following criteria have been met:

- the asset is uniquely identified and the costs can be determined separately;
- the technical feasibility of the asset has been sufficiently demonstrated;
- it is probable that the asset will generate future economic revenues;
- the development expenditures can be measured reliably.

If these criteria are not met, development costs will be recognised in the income statement in the period when the expenses occur.

Capitalised development costs are amortised from the date when they are put into use on a straight-line basis over their estimated economic useful life, which is expected to be three to five years.

Inventories
Raw materials and consumables and trading products are stated at the lower of historical cost or net realisable value. Lower net realisable value is determined through individual assessment of inventories.

Semi-finished and finished goods are stated at the lower of production cost or net realisable value. Lower net realisable value is determined through individual assessment of inventories. Production costs include direct material consumption, direct labor and machining costs, plus all other costs that can be attributed directly to production. Net realisable value is based on the expected selling price, less completion and selling expenses.

Sailing goods are shipped goods, of which Accell Group obtained the economic ownership and which have not been received on balance sheet date. Sailing goods are stated at historical cost.

Assets held for sale
Assets held for sale are stated at the lower of carrying amount or fair value less selling costs. Any impairment losses are recorded in the income statement, when classified as assets held for sale.

Equity
Ordinary shares are classified as equity. The proceeds less directly attributable costs of the issue of shares are accounted for as a change in share capital and share premium reserve.

Financial instruments

Trade receivables
Trade receivables are initially recorded at fair value. Trade receivables are after initial recognition recorded at amortised cost, using the effective interest rate method less a provision for impairment, if necessary. Interest income is included on the basis of the effective interest rate unless there is no material effect on the current assets. Provisions are determined on the basis of an individual assessment of the recoverability of the receivables. Given the short term nature the nominal value is almost equal to the fair value as well as the amortised cost.

Trade receivables are not recognised in the balance sheet if they are sold to a factoring company and the contractual rights to these receivables have been transferred. The criterion applicable in this context is the substantial transfer of risks and rewards.

Cash and cash equivalents
Cash and cash equivalents consist of petty cash and bank balances with a term of less than twelve months. Current account liabilities to credit institutions are included under current liabilities. Cash and cash equivalents are stated at nominal value.

Bank loans
Interest-bearing bank loans are initially recorded at fair value. Transaction costs that can be attributed directly to procuring the loans, if material, are included in the valuation when initially recorded. These liabilities are initially recorded at amortised cost using the effective interest rate method. In view of the general characteristics of the bank loans, their nominal value is considered to be equal to the fair value as well as the amortised cost.

Trade payables

Amounts due to trade creditors are initially recorded at fair value. These liabilities are after initial recognition recorded at amortised cost using the effective interest rate method. In view of the short-term nature of these liabilities, their nominal value is considered to be equal to the fair value as well as the amortised cost.

Derivative financial instruments

Other financial instruments, such as interest swaps, currency future contracts, currency future swaps and options used by Accell Group are stated on the balance sheet at their fair value. The fair value is determined either on the basis of the net present value of future cash flows or using the binomial option valuation model.

Cash flow hedging

Changes in the fair value of a derivative that is highly effective (and that is designated and qualifies as a cash flow hedge) are recorded in equity, until the income statement is affected by the variability in cash flows of the designated hedged item. To the extent that the hedge is ineffective, changes in the fair value are recognised in the income statement. In the event that the hedge results in the inclusion of a non-financial asset or non-financial liability, then the amounts that were included in shareholders' equity (in accordance with IAS 39.98b) are transferred to the initial cost price of the related asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in equity at that time remains in equity and is recognised in the income statement when the forecast transaction occurs. When a future transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately reclassified to the income statement.

Hedging of a net investment

Hedging of a net investment in a foreign entity is recorded in the same manner as a cash flow hedge. Changes in the fair value of the effective hedge are recorded in equity as a translation reserve. To the extent the hedge is not effective, changes in the fair value are recognised in the income statement. Upon the disposal of a foreign entity, the cumulative value of the gains or losses, which were recorded in the translation reserve, are transferred to the income statement.

For any hedging instrument to be classified as a cash-flow hedge, Accell Group applies the following criteria:

(1) the hedge is expected to be effective in compensating for changes in anticipated future cash flows which can be attributed to the hedged risk;
(2) the effectiveness of the hedge can be reliably measured;
(3) the required documentation regarding the link between the hedged risk and the hedge instrument is available while the hedge instrument exists when the financial derivative is initiated;
(4) there must be a high probability that the recorded transactions will actually take place;
(5) the hedge has been assessed throughout its duration, and it has been determined that the hedge will be effective during the reporting period.

Provisions

General
Provisions are set aside to cover present legal or constructive obligations, arising from events on or before the balance sheet date, where it is likely that the company will have to meet these obligations and to the extent that the obligations can be estimated reliably. The level of the provisions reflects the best estimate of Accell Group as at the balance sheet date regarding expected expenditures. If material, the liabilities are discounted to their present value.

Provisions for pensions

Defined benefit pension plans
The pension provision reflects the company's commitments arising from defined benefit pension plans. Individual rights to post-employment benefit plans are accumulated depending on criteria such as age, seniority and salary level. Pension liabilities are discounted to determine the present value; the fair value of plan assets is deducted from this amount. Actuarial calculations are determined by qualified actuaries using the Projected Unit Credit Method. Liabilities resulting from defined benefit obligations are calculated for every plan separately. In case a defined benefit pension plan results in a surplus, after deducting any IFRIC 14 restrictions, this plan is presented as a pension asset in the balance sheet.

Accell Group recognises a profit or a loss on the settlement of defined benefit plans, when the settlement occurs. Actuarial profit and losses are recognised in the statement of other comprehensive income.

Defined benefit pension plans accounted for as defined contribution plans
The majority of the Dutch operating companies have transferred their pension plans to Metalektro, the pension fund for the metal industry. These schemes generally qualify as defined benefit plans. The industry sector pension fund has informed Accell Group that the pension plan of the members should be included under IAS 19 as a defined contribution plan. Member companies only have an obligation to pay annual pension premiums due. The member companies are under no obligation whatsoever to provide compensation for any deficits of the fund. The member companies are also not entitled to any existing surpluses. Member companies are subject to actuarial risks which relate to present and former employees of other companies, so that no consistent and reliable basis is available to allocate liabilities, plan assets and costs to the individual member companies.

Defined contribution plans
Liabilities under defined contribution plans are accounted for as expenses as soon as they are due. Payments under government pension plans are treated as payments under defined contribution plans if the liabilities of Accell Group are equivalent to the liabilities under a defined contribution plan.

Provision for deferred employee benefits
Other deferred personnel benefits, including anniversary bonuses, are based on actuarial calculations.

Provisions for warranties
The warranty provision represents the estimated costs under warranty obligations for supplied goods and services as at the balance sheet date. For material amounts, discounting takes place to present value. Warranty claims are charged to the provision.

Cash flow statement

The cash flow statement is prepared using the indirect method. The cash balance in the cash flow statement consists solely of immediately available cash and cash equivalents. Cash flows in foreign currencies are translated using the exchange rate on the transaction date. Expenditures for interest and corporation taxes are included in the cash flow from operating activities. Cash dividends are included in the cash flow from financing activities. The purchase price paid for acquisitions acquired during the year, as well as the selling price received for participations sold during the year, is included in the cash flow from investing activities as well as receipts from interests. Cash acquired in an acquisition is deducted from the acquisition price. Non-cash items or effects are excluded from the cash flow statement. Currency translation effects on cash and cash equivalents in foreign currencies are presented in the cash flow statement in order to achieve reconciliation between the cash and cash equivalents at the beginning and the end of the period.

Information by segment

IFRS 8 requires Accell Group to identify operational segments separately on the basis of internal reports that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. Accell Group identifies the following operational segments: bicycle & bicycle parts and fitness.

Operating companies are not identified as an operational segment, but aggregated to one operational segment since operating companies show the same economic features and are also comparable as regards to the nature of products, services and production processes, clients for their products and services and distribution channels of products and services. The bicycles & bicycle parts segment, which targets the middle and upper segments of the market, is diverse: it ranges from children's bicycles to comfortable and luxury city bicycles right through to trekking and racing bikes, electrical bikes, bicycle parts, and accessories. The fitness segments target the middle and upper segments and, more specifically, the home market.

Internal transfer prices between the operating segments are determined on a commercial basis, which is comparable to the approach adopted with third parties.

The sales to customers reported in the geographical segments are based on the geographical location of the customers. The secondary segment information consists of information about the division of sales, assets and investments per country.


KOGA

NOTES

1) Net turnover

Net turnover can be specified as follows:

Turnover per product group:	2013 € x 1,000	2012 € x 1,000
Bicycles	617,484	553,100
Bicycle parts & accessories	210,070	198,039
Fitness	21,417	21,407
	848,971	772,546

Turnover and profit allocation per segment:

The segmentation is based on business segments as the risk and return profile of Accell Group is largely determined by the difference in the products that are manufactured. A distinction is made between two operational segments: bicycles & bicycle parts and fitness.

	Net turnover		Segment result	
	2013	2012	2013	2012
				revised
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Bicycle & bicycle parts	827,527	751,366	49,957	48,920
Fitness	22,067	21,741	-338	34
Elimination of inter-segment turnover	-623	-561		
Reorganisation costs			-3,004	0
Acquisition costs			0	-3,443
Sub-total segments	**848,971**	772,546	**46,615**	45,511
Income from non-consolidated companies			489	188
Unallocated expenses			-12,682	-12,861
Financial income			520	400
Financial expenses			-12,200	-7,337
Profit before taxes			**22,742**	25,901

Assets and liabilities per segment:

	Assets		Liabilities	
	2013	2012	2013	2012
		revised		revised
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Bicycles & bicycle parts	561,532	571,247	317,878	262,520
Fitness	12,264	16,120	7,888	15,450
Unallocated corporate	5,788	2,344	13,835	71,956
Sub-total segments	**579,584**	589,711	**339,601**	349,926
Equity			239,983	239,785
Balance sheet total			**579,584**	589,711

	Depreciation		Investments	
	2013	2012	2013	2012
		revised		revised
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Bicycles & bicycle parts	7,691	6,787	10,103	65,960
Fitness	166	325	45	23
Unallocated corporate	835	1,044	466	713
Total segments	**8,692**	8,156	**10,614**	66,696

Geographical information:

Geographical segments are based on the physical location of the assets. The sales to external customers reported in the geographical segments are based on the geographical location of the customers.

	Net turnover		Non-current assets[1]	
	2013	2012	2013	2012
				revised
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
The Netherlands	210,022	205,661	27,760	30,333
Germany	202,113	189,812	50,552	51,558
Other Europe	270,664	234,278	64,893	64,253
North-America	128,599	111,323	13,737	15,164
Other countries	37,573	31,472	10,450	10,088
	848,971	772,546	**167,392**	171,396

[1] Deferred tax assets are not included in the non-current assets, in accordance with IFRS 8.33b.

2) Personnel costs

Personnel costs are comprised of the following:

	2013	2012
	€ x 1,000	€ x 1,000
Wages and salaries	86,126	82,307
Social security charges	14,586	12,724
Pension contributions	5,031	5,247
Profit sharing	605	1,017
Share-based payments	267	257
	106,615	101,552

In the social security charges an accrual of € 0.2 million (2012: € 0,3 million) is made for the payment of the Dutch crisis levy, which is extended unexpectedly in 2013 for one year. The remuneration of the Board of Directors and the Supervisory Board is disclosed in the notes to the company financial statements.

Share based payments

In 2013, no unconditional option rights are granted to the Board of Directors. The option plan for the Board of Directors is described in the notes to the company financial statements.

Accell Group also has a stock option plan whereby conditional shares are granted to the members of the Board of Directors and to directors of subsidiaries who contribute significantly to the result of Accell Group. The fair value of these conditional shares is determined when granted; various factors which will influence the final number of distributed shares are taken into account.

The stock option entitlements that have been conditionally granted are comprised of the following:

	Number	Granting date	Expiry date	Share price at granting date	Fair value at granting date
Conditional shares				in €	in €
Conditional shares granted in 2011	8,260	24-02-11	3 year	19.39	136,000
Conditional shares granted in 2012	29,240	23-02-12	2-3 year	17.89	177,000
Conditional shares granted in 2013	45,305	22-02-13	2-3 year	13.57	289,000

The fair value will be charged to the income statement according to the straight-line method spread over the period between grant date and the time that the shares become unconditional, whereby adjustment will be made for the expected number of shares to be distributed. As a result, € 267,000 has been charged to the income statement in 2013.

3) Depreciation and amortisation

Depreciation and amortisation expenses comprise the following:

	2013	2012
		revised
	€ x 1,000	€ x 1,000
Depreciation of intangible fixed assets	822	869
Depreciation of property, plant and equipment	7,873	7,289
Capital gain on sale of tangible fixed assets	-3	-2
	8,692	8,156

4) Other operating expenses

Other operating expenses consist of costs relating to the general and specific business activities of Accell Group. In accordance with IAS 38.126 and IAS 17.35c research costs and lease costs are listed below.

	2013	2012
	€ x 1,000	€ x 1,000
Third-party research and development costs	1,788	1,791
Lease expenses	3,354	3,729
	5,142	5,520

5) Reorganisations

Reorganisation costs consist of reorganisation costs in the Netherlands and the United States for a pre-tax amount of € 3.0 million. The reorganisation expenses in Canada as well as other costs of termination of the mass market activities in Canada, together € 3.2 million, have been compensated by the sellers of Raleigh on grounds of warranties in the purchase agreement.

6) Financial income and expenses

Financial income and expenses comprise the following:

	2013	2012 revised
	€ x 1,000	€ x 1,000
Interest income	520	400
Interest expenses	-8,854	-6,611
Financing and factoring expenses	-2,688	-711
Exchange rate differences	-658	-15
	-11,680	-6,937

The policy regarding interest and currency risks is covered in note 22, 'Financial instruments and risk management'.

7) Taxes

The effective corporate income tax charge comprises the following:

	2013	2012 revised
	€ x 1,000	€ x 1,000
Current taxes	5,783	3,070
Deferred taxes	-2,061	-461
Taxes in income statement	**3,722**	2,609
Taxes based on the weighted average applicable rate	4,121	2,105
Non-deductible amounts	115	1,396
Participation exemption	-210	-516
Benefits from tax facilities	-467	-561
Deferred tax assets not carried forward	16	192
Adjustment of current taxes of prior years	-136	-35
Adjustment of deferred taxes of prior years	283	28
Taxes in income statement	**3,722**	2,609

The effective tax rate consists of the reported tax charge for the current year divided by the profit before taxes. The effective tax burden amounts to 16.4% (2012: 10.0%). The effective tax rate has been effected by the innovation box and other tax facilities.

8) Earnings per share

The calculation of earnings per share and of diluted earnings per share is based on the following data:

	2013	2012 revised
Profit for earnings per share (net profit accruing to Accell Group N.V.'s shareholders)	€ 19,020,000	€ 23,292,000
Number of issued shares	24,402,849	23,863,432
Weighted average number of shares for the earnings per share	24,195,467	22,897,471
Potential impact of share options and conditional shares on the issuance of shares	132,925	184,400
Weighted average number of issued shares (diluted)	**24,328,392**	23,081,871
Reported earnings per share	€ 0.79	€ 1.02
Reported earnings per share (diluted)	€ 0.78	€ 1.01
Adjustment factor according to IAS 33	1.00	0.97852
Earnings per share financial year	€ 0.79	€ 1.00
Earnings per share financial year (diluted)	€ 0.78	€ 0.99

9) Property, plant and equipment

Changes in property, plant and equipment are as follows:

	Land and buildings	Plant and equipment	Total property, plant and equipment
	€ x 1,000	€ x 1,000	€ x 1,000
Cost			
Revised balance at 1 January 2012	54,658	83,004	137,662
Investments	4,276	10,058	14,334
Investments as a result of business combinations	6,675	1,808	8,483
Divestments	0	-110	-110
Currency translation differences	68	44	112
Revised balance at 1 January 2013	65,677	94,804	160,481
Investments	1,513	5,294	6,807
Investments as a result of business combinations	0	5	5
Divestments	-2,015	-98	-2,113
Reclassification to assets held for sale	-1,610	-23	-1,633
Currency translation differences	-237	-359	-596
Balance at 31 December 2013	**63,328**	**99,623**	**162,951**
Accumulated depreciation			
Revised balance at 1 January 2012	16,673	65,319	81,992
Depreciation	910	6,379	7,289
Revised balance at 1 January 2013	17,583	71,698	89,281
Depreciation	990	6,883	7,873
Balance at 31 December 2013	**18,573**	**78,581**	**97,154**
Carrying amount			
Revised balance at 1 January	48,094	23,106	71,200
Balance at 31 December	**44,755**	**21,042**	**65,797**

The accounting policy with regard to the valuation of land and buildings is changed to cost in 2013. Comparative figures have been revised. The fair value of land and buildings amounts to approximately € 48.7 million. The fair value of other property, plant and equipment does not differ significantly from the carrying amount. Land and buildings with a carrying amount of € 3.5 million as per 31 December 2013 have been pledged to security to the trustees of the UK pension fund. Divestments in 2013 mainly relate to the sale & leaseback of property.

10) Goodwill

Changes in goodwill are as follows:

	2013	2012
		revised
	€ x 1,000	€ x 1,000
Cost		
Balance at 1 January	55,613	36,328
Investments as a result of business combinations	1,291	20,398
Decrease as a result of divestments	-70	0
Currency translation differences	-876	-1,113
Balance at 31 December	**55,958**	55,613
Accumulated impairments		
Balance at 1 January	2,306	2,306
Impairments	0	0
Balance at 31 December	**2,306**	2,306
Carrying amount		
Balance at 1 January	53,307	34,022
Balance at 31 December	**53,652**	53,307

Goodwill is tested annually for impairment or more frequently if there are indications that goodwill might have to be impaired. For the purposes of this test, goodwill is allocated to cash-generating units. Allocation is made to the (group of) cash-generating units that is expected to benefit from the business combination from which the goodwill arose. The cash-generating units used in the assessment correspond with the operational segments.

The carrying amount of goodwill (with an indefinite useful life) on segment level is divided as follows:

	2013	2012
		revised
	€ x 1,000	€ x 1,000
Bicycles & bicycle parts	53,652	53,307
Fitness	0	0
	53,652	53,307

The following main assumptions are used in determining the value in use of the segment bicycles & bicycle parts and are based on historical experiences in specific markets and countries:
- turnover growth based on the historical average of the last 3 years of 4.7% (2012: 5.4%);
- operating margin based on the average of the last 3 years of 6.0% (2012: 8.2%);
- working capital based on the historical average ratios in relation to turnover in the last 3 years of 33% (2012: 31%);
- a constant growth rate of 3% (2012: 3%) is used for the estimates of the future cash flow after the initial period of 5 years;
- a weighted average cost of capital post-tax of 7.6% (2012: 7.1%) was used for the discounting of the cash flows. The discounting rate applied in accordance with IAS 36.55 corresponds to a weighted average cost of capital pre-tax of 9.9% (2012: 9.2%).

The impairment test in 2013 shows a substantial headroom in goodwill. Accell Group believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the cash-generating units.

11) Other intangible fixed assets

Other intangible fixed assets consist of trademarks and patents, customer lists and licenses, and development costs. The changes are as follows:

	Trademarks and patents	Customer lists and licenses	Development costs	Total other intangible fixed assets
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Cost				
Balance at 1 January 2012	15,897	1,020	1,632	18,549
Investments	325	0	0	325
Investments as a result of business combinations	23,156	0	0	23,156
Currency translation differences	-38	44	0	6
Balance at 1 January 2013	39,340	1,064	1,632	42,036
Investments	29	1,500	82	1,611
Investments as a result of business combinations	0	900	0	900
Currency translation differences	-419	-504	-2	-925
Balance at 31 December 2013	**38,950**	**2,960**	**1,712**	**43,622**
Accumulated depreciation				
Balance at 1 January 2012	1,988	0	553	2,541
Depreciation	521	55	293	869
Balance at 1 January 2013	2,509	55	846	3,410
Depreciation	194	235	393	822
Balance at 31 December 2013	**2,703**	**290**	**1,239**	**4,232**
Carrying amount				
Balance at 1 January 2013	36,831	1,009	786	38,626
Balance at 31 December 2013	**36,247**	**2,670**	**473**	**39,390**

Trademarks mainly consist of the valuation of trademarks Raleigh (€ 14.1 million), Diamondback (€ 7.3 million) and Ghost (€ 9.4 million) as per 31 December 2013. Furthermore trademarks of SBS, Brasseur, Hellberg, Currie and Van Nicholas are valued for a total amount of € 5.1 million.

Investments in customer lists and licences consist of the valuation of the customer list of the in 2013 acquired Proway and the recognition of the extension of a license agreement by 10 years. The useful life of the Finnish customer list of Proway is estimated to be 10 years; as from 2013 this list is amortised. In addition, the customer lists consist of the valuation of the Turkish dealer network accounted for in the acquistion of Accell Bisiklet. The useful life of this customer list is estimated to be 20 years; as from 2012 this list is amortised.

Development costs relate to a development project in connection with electric bicycles. Amortisation was started when the developed asset was put into use.

Amortisation expenses are accounted for in the income statement under depreciation. The remaining amortisation term for activated patents is 5 years, for the Turkish customer list 18 years and for the Finnish customer list 9 years. Trademarks have an indefinite useful life since it is not possible to determine a predictable limitation of the useful life.

The carrying amount of the trademarks (with indefinite useful life) at segment level is specified as follows:

	2013	2012
	€ x 1,000	€ x 1,000
Bicycles & bicycle parts	35,895	36,111
Fitness	0	0
	35,895	36,111

Trademarks with indefinite useful life are subject to impairment testing.

12) Subsidiaries

The consolidated 2013 financial statements include Accell Group N.V., in Heerenveen, and the financial information of the following companies.

Consolidated subsidiaries	Participation Percentage
Accell Bisiklet A.S., Manisa, Turkey	100%
Accell Duitsland B.V., Heerenveen, The Netherlands	100%
Accell Hunland Kft, Toszeg, Hungary	100%
Accell Germany GmbH, Sennfeld, Germany	100%
Accell IT Services B.V., Heerenveen, The Netherlands	100%
Accell Ltd, St. Peter Port, Guernsey	100%
Accell North America Inc, Kent, Washington, United States of America	100%
Accell Suisse AG, Alpnach Dorf, Switzerland	100%
ATC Ltd (Taiwan Branch), Taipei, Taiwan	100%
Batavus B.V., Heerenveen, The Netherlands	100%
Brasseur S.A., Liège, Belgium	100%
Currie Tech Corp., Simi Valley, California, United States of America	100%
Cycles Lapierre S.A.S., Dijon, France	100%
Cycles France-Loire S.A.S., Saint-Cyprien, France	100%
E. Wiener Bike Parts GmbH, Sennfeld, Germany	100%
Ghost-Bikes GmbH, Waldsassen, Germany	100%
Juncker Bike Parts B.V., Veenendaal, The Netherlands	100%
Koga B.V., Heerenveen, The Netherlands	100%
Raleigh Canada Ltd, Oakville, Ontario, Canada	100%
Raleigh UK Ltd, Nottingham, United Kingdom	100%
Sparta B.V., Apeldoorn, The Netherlands	100%
Swissbike Vertriebs GmbH, Alpnach Dorf, Switzerland	100%
Tunturi Fitness B.V., Almere, The Netherlands	100%
Tunturi-Hellberg Oy Ltd, Turku, Finland	100%
Vartex AB, Varberg, Sweden	100%
Winora Staiger GmbH, Sennfeld, Germany	100%

Some subsidiaries that are immaterial to the consolidated financial statements are not included in the overview above. A complete list of subsidiaries is filed with the Trade Register of the Chamber of Commerce in Leeuwarden, the Netherlands.

	Participation percentage	
Non-consolidated companies	2013	2012
In2Sports B.V., Eindhoven, The Netherlands (i)	0%	41%
Jalaccell OÜ, Tallinn, Estonia (ii)	35%	35%
Babboe B.V., Utrecht, The Netherlands (iii)	38%	28%
Atala SpA, Monza, Italy (iv)	50%	50%
Velogic B.V., Genemuiden, The Netherlands (v)	20%	20%
Von Backhaus ApS, Odense, Denmark (vi)	40%	0%

(i) In2Sports B.V. is a company that is active in the field of information and communication technology and the development of sport and fitness technology.
(ii) Jalaccell OÜ is a joint venture of Tunturi Fitness B.V. set up for the assembly and storage of fitness equipment. Currently, Jalaccell is expanding into other activities in the metal business.
(iii) Babboe B.V. is a company that is active in the sales and marketing of carrier bicycles.
(iv) Atala SpA is a trading company active in the development and sales of bicycles under its own brands.
(v) Velogic BV is a company active in the development, production and distribution of softwaresystems for bicycles and automatic bicycle dispenser systems for rental, parking and managing of bicycles.
(vi) Von Backhaus ApS is a trading company active in the development and sales of bicycles under its own brands.

In 2013 the participation in In2Sports B.V. is sold, reference is made to note 23 'Business combinations'.

Summary of the financial data for the interests in non-consolidated companies:

	2013	2012
	€ x 1,000	€ x 1,000
Total assets	11,119	11,727
Total liabilities	8,058	8,519
Total turnover	17,226	16,521
Total net profit	489	188

13) Other financial fixed assets

	Non-current		Current	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Loans provided to related parties	2,463	2,692	125	125

During 2006, a loan was provided to a non-consolidated company with a term of 10 years. The interest rate on this loan is currently 3% per annum. As security for this loan a mortgage was vested on the building and a right of pledge was established on other assets.
Further, in 2012 a loan was provided to a non-consolidated company at 4% interest per annum and with a term of 5 years. Securities are pledged for this loan. Both loans are valued against amortised cost based on the effective interest method. In line with the characteristics of the loans, the nominal value equals the fair value as well as the amortised cost. The current part of the loans is presented under 'other receivables'.

14) Inventories

	2013	2012
	€ x 1,000	€ x 1,000
Goods in transit	34,334	28,904
Raw materials	64,482	84,718
Work in process	2,841	3,793
Trading and finished products	136,651	151,696
	238,308	269,111

Goods in transit relates to shipped goods for which Accell Group had acquired the economic ownership as at the balance sheet date, but which have not yet been received.

As at balance sheet date, inventories with a carrying amount of approximately € 19.1 million are valued at lower net realisable value. The cost of inventories recognised as an expense includes € 2.5 million (2012: € 5.1 million) with respect to write-downs of inventory to net realisable value.

The costs of inventory that are recorded as an expense during the financial year is € 632.5 million (2012: € 568.7 million).

15) Trade receivables

	2013	2012
	€ x 1,000	€ x 1,000
Trade receivables	105,953	110,357
Provision for impairment of receivables	-6,458	-5,864
	99,495	104,493

The nominal amount of the trade receivables approximates the fair value. In 2013 Accell Group terminated the factoring agreements. In accordance with IAS 39, the trade receivables transferred to factoring companies are not recognised in the balance sheet. Per balance sheet date, the remaining amount involved is € 10.7 million (2012: € 21.2 million). Total costs in 2013 resulting from the factoring agreement amounts to € 1.1 million and consist of bank charges (€ 0.7 million) and financing expenses (€ 0.4 million). There are no other gains or losses. Accell Group remains responsible for the collection of the transferred receivables until 60 days after maturity date. In case the conditions of the factoring agreements are not fulfilled, the factoring companies have the option to take over collection of the receivables or not to accept new receivables. The chance this will happen is considered very remote.

Trade receivables are non-interest-bearing and, depending on the season, are governed by a 30-150 day term of payment. The provision for impairment is determined on the basis of an individual assessment of overdue trade receivables. Accell Group has developed a credit policy to maintain control over credit risks relating to trade receivables. The policy regarding credit risks is covered in note 22, 'Financial instruments and risk management'.

The changes in the provision for the impairment of trade receivables are as follows:

	2013	2012
	€ x 1,000	€ x 1,000
Balance at 1 January	5,864	5,387
Utilisation	-1,409	-1,300
Provided	1,999	2,260
Releases	-216	-490
Currency translation differences	220	7
Balance at 31 December	**6,458**	5,864

The aging analysis of trade receivables is provided in the overview below:

	Gross	Impaired trade receivables	Provision for impairment	Net
At 31 December 2013	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Current	79,090	488	164	78,926
0-90 days overdue	11,880	783	116	11,764
90-150 days overdue	3,690	637	175	3,515
more than 150 days overdue	11,293	8,277	6,003	5,290
Total	**105,953**	**10,185**	**6,458**	**99,495**

	Gross	Impaired trade receivables	Provision for impairment	Net
At 31 December 2012	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Current	75,905	1,027	203	75,702
0-90 days overdue	20,092	3,345	209	19,883
90-150 days overdue	4,620	1,807	558	4,062
more than 150 days overdue	9,740	8,086	4,894	4,846
Total	110,357	14,265	5,864	104,493

Accell Group has agreed various specific and, to a limited extent, individual terms of payment with its customers that differ depending on the nature of the customers and that can also differ depending on the country. Due to the seasonal nature of the activities, customers are offered so-called winter terms, whereby the customers can opt for an extra payment discount or a longer payment period. This is customary in the business.

16) Equity

The consolidated equity is equal to that of the parent company. The explanatory notes and movement overviews of the equity are included in the company financial statements.

17) Interest-bearing loans

	Non-current		Current	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Roll-over loan	0	0	0	4,548
EURIBOR loans	0	0	0	27,000
Term loans	102,856	0	12,500	0
Other bank loans	457	15,780	217	34,101
Bank overdrafts	0	0	83,370	68,968
	103,313	15,780	**96,087**	134,617

Early 2013, Accell Group entered into a financing agreement with a syndicate of 6 (international) banks for a total group financing of € 300 million. The participating banks in the syndicate are ABN AMRO Bank, Deutsche Bank, ING Bank, Rabobank, BNP Paribas and HSBC. The financing consists of € 125 million long-term loans (term loans) and working capital financing (revolving credit facility) of € 175 million, of which € 65 million is available during the peak season.

The interest rate for the term loans is fixed and is approximately 4.0% in 2013. With the new financing agreement all existing financing agreements ended, except for the 10-year loan facility from Deutsche Bank of € 15 million. This loan facility is integrated in the new financing agreement and the covenants are harmonised, but the loan has a remaining term of 8 years and has an (in principle fixed) interest rate of 5.9% per annum, whereby the credit rate which is included in this interest rate will be determined once a year.

The financing agreement, initially committed for 3 years with an option to extend to 5 years, has been extended for an additional year in 2013. All participating banks approved the extension.

Accell Group is providing securities in the form of trade receivables and stocks for all Dutch, German, UK and US group companies to the lenders. In connection with the other loans, limited collateral was provided. The average interest rate on the other loans is 3.0%.

The policy regarding interest rate risks is covered in note 22, 'Financial instruments and risk management'. The financial covenants, which are part of the financing agreement, are also covered in this note.

The non-current interest-bearing liabilities are due for repayment as follows:

	Term less than 5 years	Term more than 5 years	Total
	€ x 1,000	€ x 1,000	€ x 1,000
Term loans	100,356	15,000	115,356
Other bank loans	674	0	674
Subtotal	**101,030**	**15,000**	**116,030**
Proportion of loans with a term of less than 1 year	-12,717	0	-12,717
Balance at 31 December 2013	**88,313**	**15,000**	**103,313**

18) Pension provisions and net pension assets

Defined benefit plans

Accell Group sponsors funded defined benefit plans for qualifying employees. The main defined benefit plan is the plan in the United Kingdom, which accounts for approximately 85% of the defined benefit obligation and for more than 90% of the plan assets. This plan is administred by a separate fund that is legally separated from the company. Pension benefits are related to the member's final salary at retirement and their lenght of service. Since December 2002 the defined benefit section of this pension scheme has been closed to future accrual. The scheme exposes the company to actuarial risks such as market risk, interest rate risk and inflation risk. The scheme does not expose the company to any unusual scheme-specific risk. The scheme's investment strategy is to invest broadly 67% in return seeking assets (this includes equity linked bonds, absolute return bonds and diversified growth funds) and 33% in matching assets (index-linked gilts and bond like property). This strategy reflects the scheme's liability profile and the trustees and company's attitude to risk. The returns from the return seeking assets are not achieved solely by direct investment in return seeking assets, but the equity linked bonds allow exposure to equity type returns using futures backed by collateral in the form of index-linked gilts.

In addition, Accell Group sponsors funded defined benefit plans for qualified employees in Canada and Taiwan, a fixed unfunded defined benefit plan in Germany and an unfunded defined benefit plan in Hongkong. The defined benefit plans of Accell Group have no contributions from employees anymore, because the plans are mainly fixed.

The actuarial calculations pursuant to IAS 19 were carried out at 31 December 2013 by actuaries of certified actuarial firms. The principal assumptions used for the purposes of the actuarial valuations are based on the following weighted averages:

	2013	2012
Discount rate	4.3%	4.0%
Expected rates of salary increases	2.8%	2.1%
Inflation	2.4%	2.2%
Average longevity at retirement age for current pensioners (years):		
Males	20.7	20.5
Females	22.8	22.8
Average longevity at retirement age for current employees (years):		
Males	21.8	21.9
Females	24.2	24.3

Amounts recognised in the income statement in respect of these defined benefit plans are as follows:

	2013	2012
		revised
	€ x 1,000	€ x 1,000
Current service cost	65	96
Past service cost	-53	-21
Administration expense [1]	307	15
Net interest expense	209	219
Total	**528**	309

[1] Administration expenses of the UK pension fund are not included in the overview of 2012.

Amounts recognised in other comprehensive income in respect of these defined benefit plans are as follows:

	2013	2012
		revised
	€ x 1,000	€ x 1,000
Remeasurement on the net defined liability:		
Return on plan assets (excluding amounts included in net interest expenses)	-987	-230
Actuarial (gains) and losses arising from changes in financial adjustments	-410	1,511
Actuarial (gains) and losses arising from experience adjustments	66	-27
Contributions from the employer - partly under restrictions on assets recognised	154	0
Total	**-1,177**	1,254

Amounts recognised in the balance sheet in respect of these defined benefit plans are as follows:

	2013	2012
		revised
	€ x 1,000	€ x 1,000
Net pension assets	1,564	1,022
Pension provisions	-5,506	-7,336
Net liability	**3,942**	6,314

	2013	2012
		revised
	€ x 1,000	€ x 1,000
Present value of funded pension obligation	77,152	82,723
Minus: Fair value of plan assets	-88,248	-90,236
Deficit/ (surplus)	-11,096	-7,513
Present value of unfunded defined benefit obligation	5,424	5,516
Funded status	-5,672	-1,997
Restrictions on assets recognised	9,614	8,311
Net liability	**3,942**	6,314

The movement in the present value of the defined benefit obligation is as follows:

	2013	2012
		revised
	€ x 1,000	€ x 1,000
Balance at 1 January	88,239	5,629
Current service cost	65	96
Interest cost	3,290	584
Actuarial (gains) and losses arising from changes in financial adjustments	-410	1,511
Actuarial (gains) and losses arising from experience adjustments	66	0
Administration expense	0	-5
Liabilities extinguished on settlements	-905	0
Liabilities assumed in a business combination	0	80,700
Exchange differences on foreign plans	-2,985	-37
Benefits paid	-4,784	-239
Defined benefit obligation at 31 December	**82,576**	88,239

The movement in the fair value of the plan assets is as follows:

	2013	2012
		revised
	€ x 1,000	€ x 1,000
Balance at 1 January	90,236	584
Interest income	3,487	365
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	1,013	230
Others	0	21
Contributions from the employer	1,182	29
Administration expense	-333	-5
Assets distributed on settlements	-852	0
Assets acquired in a business combination	0	89,019
Exchange differences on foreign plans	-2,554	0
Benefits paid	-3,931	-7
Fair value of the plan assets at 31 December	**88,248**	90,236

The fair value op the plan assets is categorised as follows:

	2013	2012
	€ x 1,000	€ x 1,000
Cash and cash equivalents	728	1,433
Equity investments	58,692	34,648
Debt securities	28,712	53,195
Other	116	960
Total	**88,248**	90,236

As per year-ending 2013 the fair values of the above equity investments and debt securities consist of: equity-linked bonds (€ 20.2 million), diversified growth funds (€ 18.1 million), absolute return bonds (€ 16.4 million), index-linked gilts (€ 20.0 million), property bonds (€ 6.6 million) and other investments (€ 6.1 million). These fair values are determined based on quoted market prices in active markets. The actual return on plan assets was € 5.0 million in 2013 (2012: € 4.5 million).

The average duration of the defined benefit obligation is 17 years as per 31 December 2013 (2012: 17 years). Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions holding at the end of the reporting period, while holding all other assumptions constant:
- if the discount rate is 1% higher (lower), the defined benefit obligation would decrease by € 8.1 million (increase by € 7.8 million);
- if the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by € 5.4 million (decrease by € 5.2 million).

The sensitivity analysis is prepared as per year-ending using the same methods as applied in the defined benefit obigation in the balance sheet. The sensitivity analysis may not be representative of the actual change in the defined benefit obligation. It is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions are correlated.

The net pension assets and restrictions on assets relate to the UK scheme. This scheme is subject to the scheme funding requirements outlined in UK legislation. In 2011, the company agreed with the trustees to strengthen the financial position of the UK pension fund and contribute € 0.8 million per year in order to achieve an independent financial position of the fund based on current UK gilt yields and accounting for unwinding costs. The company will pay these yearly contributions until 2022 or until the date the financial position of the fund has improved sufficiently, if sooner. At least every 3 years a valuation report will be drawn up to review the financial position of the fund. The yearly contribution does not lead to additional costs for the company, because these payments lead to an improvement of the plan assets, which is benificiary to the company when the scheme will gradually run-off or will eventually be winded up.

In January 2013 a defined benefit plan in the Netherlands is transferred to a defined contribution plan at an insurance company. In 2012 the defined benefit obligations of the Raleigh companies in the United Kingdom, Canada, Taiwan and Hongkong were acquired.

Accell Group expects to make a contribution of € 1.3 million in 2014 with regard to the defined benefit plans.

Defined contribution plans

The majority of the Dutch operating companies have set their pension plans to Metalektro, the pension fund for the metal working industry. The Metalektro pension fund informed Accell Group that the pension plans of the members should be included under IAS 19 as a defined contribution plan. Member companies only have an obligation to pay the annual pension premiums due. Member companies do not have any obligation to settle any deficits in the industrial pension fund. Member companies are also not entitled to any surplus. The annual report of Metalektro for 2012 shows a negative general reserve. From press releases issued by Metalektro in early 2014, it appears that cover ratio was below 105% at year-end 2013.

Employees of the company's foreign subsidiaries generally fall under a local government pension plan. These subsidiaries are only required to contribute a certain percentage of payroll costs to the local pension institutions.

In 2013, an expense of € 4.5 million has been included in the income statement for the defined contribution plans.

19) Deferred taxes

Deferred taxes comprise the following:

	2013	2012
		revised
	€ x 1,000	€ x 1,000
Deferred tax assets	11,285	10,173
Deferred tax liabilities	9,681	9,938
Net deferred taxes	**1,604**	235

The movement in the deferred tax assets and liabilities is as follows:

	Loss carry forwards consolidated companies	Revaluation of property, plant and equipment	Financial instruments	Trademark valuation	Other deferred taxes	Total
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Revised balance at 1 January 2012	4,652	-1,921	42	-3,310	-1,173	-1,710
Added through business combination	2,364	0	0	-2,576	-1,282	-1,494
Charged through other comprehensive income	0	0	2,767	0	232	2,999
Charged through income statement	400	43	0	4	-2	445
Change in income tax rate	-34	61	0	0	-11	16
Transfer from/to current tax	0	0	0	0	0	0
Currency translation differences	-18	-15	0	-8	20	-21
Revised balance at 31 December 2012	7,364	-1,832	2,809	-5,890	-2,216	235
Added through business combinations	0	0	0	-220	0	-220
Charged through other comprehensive income	0	0	86	0	-30	56
Charged through income statement	2,105	44	0	16	307	2,472
Change in income tax rate	-466	0	0	74	-19	-411
Transfer from/to current tax	-454	0	0	0	0	-454
Currency translation differences	-159	10	0	77	-2	-74
Balance at 31 December 2013	**8,390**	**-1,778**	**2,895**	**-5,943**	**-1,960**	**1,604**

The deferred tax assets consist of tax loss carry forwards and taxable available depreciations. Only for tax loss carry forwards restrictions for realisation in time may apply. The tax loss carry forwards of Tunturi-Hellberg Oy Ltd are expected to be realised in the period from 2015 to 2022. The tax loss carry forwards incurred with Raleigh America Inc in the period before acquisition, will expected to be realised within the applicable period.

Accell Group and its 100% controlled Dutch subsidiaires form a fiscal unity for Dutch corporate income tax purposes.

20) Provisions

	Non-current		Current	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
		revised		
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Deferred employee benefits	1,672	1,673	318	128
Warranties	2,473	2,487	3,873	2,987
Other provisions	1,185	280	2,444	900
	5,330	4,440	**6,635**	4,015

The movement in provisions is as follows:

	Deferred employee benefits	Warranties	Other provisions	Total
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Balance at 1 January 2013	1,801	5,474	1,180	8,455
Utilisation	-52	-2,583	-2,760	-5,395
Provided	284	3,615	5,243	9,142
Release	-20	-19	-14	-53
Discounting effect	-2	-99	0	-101
Currency translation differences	-21	-42	-20	-83
Balance at 31 December 2013	**1,990**	**6,346**	**3,629**	**11,965**

The deferred employee benefits relate to the provision in certain countries for future anniversary bonuses. The provision is based on contractual obligations and assumptions with respect to expectations of death and resignation. The warranty provision represents the estimated costs under warranty obligations for supplied goods and services as at balance sheet date. The provision is based on estimations of historical warranty information. The provisions for deferred employee benefits and warranty obligations are expected to have a duration between one and five years.
Other provisions mainly relate to reorganisation provisions for the activities in the Netherlands and the United States. These provisions are generally expected to have a duration less than one year.

21) Deferred income

	Non-current		Current	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
		revised		
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Deferred income	2,462	2,157	650	1,000

Deferred income consists of receipts in respect of extra warranty rights to be realised in the coming five years.

22) Financial instruments and risk management

Categories of financial instruments in balance sheet as at 31 December:	2013	2012
	€ x 1,000	€ x 1,000
Assets		
Amortised cost		
Non-current receivables	2,463	2,692
Trade and other receivables	118,117	120,027
Cash and cash equivalents	15,907	6,552
Fair value through cash flow hedging		
Other financial instruments	0	0
Liabilities		
Amortised cost		
Interest bearing liabilities	199,400	150,397
Trade and other liabilities	87,785	149,326
Fair value through cash flow hedging		
Other financial instruments	9,027	8,799

The fair value of the 'other financial instruments' is determined on the basis of other inputs than quoted prices that are observable (level 2). For the determination general accepted valuation methods are used. The determined value in this way is equal to the price at which the derivative can be sold in a transparent market.

The other financial instruments comprise:

	2013	2012
	€ x 1,000	€ x 1,000
Currency derivatives - cash flow hedging	-5,201	-3,392
Interest rate swap - cash flow hedging	-3,826	-5,407
	-9,027	-8,799

The fair value of currency derivatives and interest rate swaps is calculated by the financial institutions concerned using the Mark to Market method (MTM method). In 2013, € 0.6 million was charged to the hedging reserve (2012: € 8.3 million) pursuant to the fair value adjustments of the instruments to cover future cash flows. With respect to cash flow hedging of interest rate risks, it is expected that the underlying cash flows materialise at the time that the interest is due on the loans with a one-month or three-month floating interest rate. The cash flow hedges of the currency and interest rate derivatives were assessed as effective in 2013.

Movement of the hedging reserve:

	2013	2012
	€ x 1,000	€ x 1,000
Balance at 1 January	-8,426	-126
amount included in equity	-10,570	-10,794
amount included in cost of inventories	8,746	1,455
amount included in interest expenses	1,203	1,039
Balance at 31 December	-9,047	-8,426

Currency derivatives

The currency derivatives stated as at the balance sheet date will be settled during 2014. Currency derivatives outstanding as at the balance sheet date can be specified as follows:

		Contract value in € 1,000		Fair value in € 1,000	
Currency derivative	**Currency**	**2013**	**2012**	**2013**	**2012**
Put	USD	98,341	78,952	-3,253	-3,041
Call	USD	37,500	80,222	107	1,046
Put	JPY	12,681	15,881	-1,358	-1,282
Call	JPY	9,041	9,972	4	6
Put	HUF	0	3,189	0	56
Call	HUF	0	0	0	0
Put	TWD	5,117	7,127	-258	-177
Call	TWD	0	0	0	0
Put	CAD	4,075	0	2	0
Call	CAD	1,675	0	1	0
Put	CHF	0	0	0	0
Call	CHF	115	0	0	0
Put	TRY	2,400	0	-258	0
Call	TRY	0	0	0	0
Put	SEK	0	0	0	0
Call	SEK	7,420	0	-188	0
				-5,201	-3,392

Interest rate swaps

Accell Group uses interest rates swaps to convert the floating interest rate on its borrowings into a fixed interest rate. In 2008 and 2013 interest rate swaps were concluded to hedge the term loans. In 2011 and 2013 interest rate swaps were concluded to manage the interest rate risks of the expected drawings under the revolving credit facility in 2014.

The following table lists the nominal value and fair value of the interest rate obligations in connection with the loans in combination with the interest rate swaps as at the balance sheet date:

	2013	2012
	€ x 1,000	€ x 1,000
Nominal value	4,240	6,837
Fair value	414	1,430

The policy of Accell Group regarding financing risks, credit risks, liquidity risks and market risks (currency and interest rate) is outlined below.

Capital management

The company operates a funding policy that is based on the continuity of Accell Group. This is reflected in the management of the capital. Following the growth of the company in recent years, Accell Group decided in 2012 to harmonise its financing structure. This led to a fully refinance of the company in 2013. The basis was to achieve the right balance between long-term group financing and the strongly fluctuating seasonal working capital financing. Accell Group is quarterly required to comply with the ratios stipulated by the lenders in the financing agreement; in 2013 all financial covenants have been met.

As at 31 December 2013, on the basis of group equity the solvency amounted to 41.4% (as at 31 December 2012: 40.7%). As explained in the section on currency and interest rate risks, the movement in the hedging reserve has an effect on the solvency per year-end. Accell Group has no control over the changes in the market value of the underlying derivative financial instruments.

Liquidity risk

In managing the liquidity risk, Accell Group takes into account the strongly fluctuating seasonal nature of the activities. Therefore, in the funding of the group a distinction is made between long-term (core) funding and the seasonal credit facility. The financing agreement contains financial covenants on a quarterly basis in 2014 consisting of:

- term loan/ EBITDA ratio (debt ratio) at year end 2014 below 2.5;
- solvency ratio higher than 30% (whereby equity and balance sheet total at year-end are adjusted for inter alia, intangible fixed assets and deferred taxes);
- interest cover higher than 5;
- with regard to the use of the seasonal financing the actual use may not exceed 50% of the qualifying net working capital.

Total loans and bank overdrafts provided to Accell Group amounted to € 199.5 million at the end of the financial year; 52% of this is of a long-term nature. In addition to bank overdrafts, the group's other short-term liabilities amounted to € 117.1 million at the end of the financial year.

The table below provides an indication of the total financial liabilities, including the estimated interest payments on long-term loans.

	Carrying amount	Contractual cash flows	< 1 year	1- 5 year	5 year
	€ million	€ million	€ million	€ million	€ million
Non-current liabilities	121,4	142,1	17,1	107,4	17,7
Current liabilities	200,6	190,9	190,9		

Credit risk

The activities of Accell Group entail various credit risks. The maximum credit risk is equal to the carrying amount of the trade receivables and other receivables. Risks are mitigated by the sale of trade receivables partly to factoring companies during 2013. No collateral is obtained to cover the credit risk other than a retention of ownership of goods delivered. Bicycles and bicycle parts are sold to a wide network of specialised bicycle shops, whereby many of the customers with whom Accell Group conducts business have a long-standing commercial relationship with Accell Group.

The credit policy stipulates, inter alia, that upon the acceptance of large customers, the creditworthiness of this potential customer must be verified both internally and externally, and a credit limit must also be set. There is no significant concentration of credit risks within Accell Group, as the group has a large number of customers. No customers comprise more than 10% of turnover.

The credit risks are continuously monitored. Outstanding receivables exceeding the due date are assessed individually at the end of the financial year, resulting in a substantiation of the provision for the impairment of receivables. For the total outstanding trade receivables of € 111.7 million, the provision for impairments amounted to € 6.5 million. The actual non-payment in 2013 amounted to € 1.4 million (2012: € 1.3 million). Fitness equipment is also mostly sold to a network of retail stores and distributors. Credit risks are also assessed individually.

Market risk

The market risk encompasses currency risks and interest rate risks. Accell Group uses a variety of instruments to hedge currency and interest rate risks arising from the operating, financing and investment activities. Accell Group's treasury activities are centralised and carried out in accordance with the objectives and regulations stipulated by Accell Group. Accell Group's policy stipulates that instruments shall only be kept if there is an actual commercial basis (transactions and obligations). Accell Group's currency and interest rate risks have not changed during the year. Moreover, Accell Group's approach to these risks has not changed during the year.

Control of currency risks

In view of the international nature of its activities, Accell Group is exposed to risks when buying and selling in foreign currency. This relates to US dollars (USD), Japanese yen (JPY), Taiwanese dollars (TWD), British pounds (GBP), Canadian dollars (CAD), Turkish lira (TRY), Swedish krona (SEK), Hungarian forint (HUF) and Swiss francs (CHF). Accell Group mitigates the currency risks for all significant exposures, mainly its estimated purchases in USD, JPY and TWD, by hedging a significant percentage of the currency risks prior to each season. This involves the use of currency future contracts and related swaps and options.

Unrealised gains and losses on the derivatives resulting from the concluded cash flow hedge transactions are temporarily included in the hedging reserve of the group equity. The cash flow hedge transactions entered into in 2013 achieved their objective. The hedging reserve is subject to changes as a result of developments in the market value of the concluded currency derivatives and interest rate swaps. Accell Group has no control over these market value developments.

A 1% change in the EUR/USD and EUR/JPY exchange rate from the current year-end exchange rate would result in an approximately € 1.0 million and € 0.1 million respective change in the hedging reserve of the group equity. Covering future cash flows and the use of cash flow hedging causes movements in equity as a result of changes in the market value of the underlying derivatives.

All derivative financial instruments are concluded with ABN AMRO Bank, Deutsche Bank, ING Bank, Rabobank or HSBC. The company incurs credit risks with these banks as long as these derivative financial instruments have a positive fair value and are not yet settled. This risk is considered acceptable in view of the creditworthiness of these banks.

Control of interest risks

As at 31 December 2013, the total of the floating interest on the long-term interest-bearing liabilities and a significant part of the floating interest on the short-term interest-bearing liabilities has been fixed with interest-rate swaps. These instruments are generally available, and are not regarded as specialised or as entailing significant risk.

As at 31 December, the term of 52% of the interest-bearing loans is longer than one year. An increase or decrease of 1% in market interest-rate governing short-term bank credit would have resulted in a decrease or increase in the profit before taxes of approximately € 0.2 million. This is taking into consideration that a significant part of the short-term bank credit is hedged with interest-rate swaps.

23) Business Combinations

Acquisition of subsidiaries

At the beginning of April 2013, Accell Group completed the acquisition of all the shares of Oy Proway International AB ('Proway') in Turku, Finland. Proway is a distributor of among others Raleigh in Finland and is integrated with the Accell Group company Tunturi-Hellberg Oy. The figures of Proway are consolidated as of 1 April 2013.

All transactions are accounted for by the purchase method of accounting. The acquired net assets consist of the following:

	Fair value on acquisition	Fair value adjustments	Carrying amount
	€ x 1,000	€ x 1,000	€ x 1,000
Fixed assets	913	908	5
Other assets	796	0	796
Cash and cash equivalents	941	0	941
Other liabilities and acquisition obligations	-941	-214	-727
	1,709		
Goodwill	1,291		
Cash and cash equivalents acquired	-941		
Net cash flow of business combinations	**2,059**		

The consideration paid for the business combinations consist of a premium for expected synergies, growth of turnover and the combined workforce. These benefits of the business combinations cannot be measured reliably and are therefore not reported separately from goodwill. The purchased goodwill is tax non-deductible. The other assets consist of gross contractual trade receivables and other receivables. The contributed net sales and net profit of this acquisition is marginal in 2013.
Costs relating to the business combinations (legal and due diligence costs) amounted to less than € 0.1 million. The costs are accounted for in other operating expenses in the income statement.

Sale of non-consolidated companies

In 2013 the participation (41%) in the non-consolidated company In2Sports B.V. was sold. This led to a cash inflow business combinations of € 0.7 million, a reduction of the participation value of € 0.3 million and a reduction of goodwill of € 0.1 million.

24) Dividend

The dividend in respect of financial year 2012 was determined at € 0.75 per share or as stock option during the General Meeting of Shareholders of 25 April 2013. After the period in which shareholders could report their preference, 39% chose the stock dividend. On 22 May 2013 € 10,836,000 was distributed as cash dividend and 523,908 shares were issued as stock dividend.

With respect to the current year, the Board of Director proposes to make available to the shareholders a dividend with stock option of € 0.55 per share. This dividend proposal is subject to approval by the General Meeting of Shareholders on 24 April 2014 and is not reflected as a liability in these financial statements.

25) Off-balance obligations

Operational lease obligations

The company has financial obligations arising from long-term lease obligations, leases on IT equipment and motor vehicles. The total obligation amounts to approximately € 3.1 million per year and has an average remaining term of 2.2 years. The company also has financial obligations arising from long-term leases. This obligation amounts to approximately € 6.5 million a year and has an average remaining term of 3.4 years.

As at balance sheet date, Accell Group has outstanding non-terminable operational lease obligations expiring as follows:

	2013	2012
	€ x 1,000	€ x 1,000
Within one year	1,933	616
Within two to five years	15,713	18,348
After five years	10,969	9,682
	28,615	28,646

26) Transactions with related parties

Intercompany transactions and balances between Accell Group and its non-consolidated companies have not been eliminated for consolidation purposes.

Trading transactions

During the year group companies entered into the following trading transactions with related parties:

	Sales of goods		Purchases of goods	
	2013	2012	2013	2012
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Atala SpA	5,771	5,343	322	0

The following balances were outstanding at the end of the reporting period:

	Amounts owed by		Amounts owed to	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Atala SpA	1,366	1,069	58	50

The amounts outstanding are not provided for and will be settled in cash and cash equivalents. No guarantees have been given or received. No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

Loans to related parties

	31-12-2013	31-12-2012
	€ x 1,000	€ x 1,000
Loans to related parties	2,588	2,817

Loans to related parties consists of both long- and short term financing agreements. At the end of 2013, Tunturi Fitness B.V. had an outstanding amount payable by Jalaccell OÜ of € 2.4 million in connection with the financing of fixed assets and working capital whereby a mortgage right on the business premises and pledge rights on other assets serve as security. In 2013 Accell Group provided a short-term loan to Velogic BV amounting to € 0.2 million.

Other

For explanatory notes on the total of benefits for key management personnel amounting to € 1.9 million, please refer to the notes on the company financial statements on page 160.

27) Events after balance sheet date

Assets/ liabilities held for sale

On 31 January 2014 Accell Group announced that an agreement is reached on the sale of its German Hercules business to Zweirad-Einkaufs-Genossenschaft (ZEG) in Germany. The divestment of Hercules improves the distinctive market positioning of the Accell Group brand portfolio in Germany and optimises Accell Group's availabe resources for investing in its other German brands.

The agreement reached involves the transfer of the Hercules brand, land and buildings in Neuhof and the entire working capital of the Hercules business to ZEG. The assets and liabilities held for sale are specified as follows:

	31-12-2013
	€ x 1,000
Property, plant and equipment	1,633
Inventories	12,861
Trade accounts receivable	5,217
Assets held for sale	**19,711**
Bank overdrafts	147
Trade payables	523
Liabilities held for sale	**670**

Classification as assets held for sale did not result in an impairment of the assets, which are included in the segment bicycle & bicycle parts. The sale in 2014 is expected to result in a gain of approximately € 3 million.

28) External auditors costs

The total costs for the services provided by Deloitte Accountants B.V. are:

	2013			2012		
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
	Deloitte Accoun-tants B.V.	Other Deloitte network	Total Deloitte	Deloitte Accoun-tants B.V.	Other Deloitte network	Total Deloitte
Audit of the financial statements	352	138	490	436	49	485
Other audit assignments	126	40	166	106	0	106
Tax services	0	21	21	0	22	22
Other non-audit services	0	0	0	315	0	315
	478	199	677	857	71	928

COMPANY BALANCE SHEET AS AT 31 DECEMBER

Before profit appropriation (in thousands of euros)

Assets	2013		2012 revised	
Non-current assets				
Property, plant and equipment	133		162	
Goodwill	3,110		3,181	
Other intangible fixed assets	77		160	
Financial fixed assets [a]	421,363		328,122	
		424,683		331,625
Current assets				
Amounts receivable from group companies	7,479		15,297	
Other receivables	6,136		7,238	
Cash and cash equivalents	8,065		19,286	
		21,680		41,821
Total assets		**446,363**		373,446

Liabilities	2013		2012 revised	
Equity [b]				
Share capital	244		239	
Share premium reserve	44,442		44,799	
Hedging reserve	-9,047		-8,426	
Translation reserve	-12,735		-4,310	
Other statutory reserve	1,530		1,984	
Other reserves	196,529		182,207	
Net profit for the year	19,020		23,292	
		239,983		239,785
Long-term liabilities				
Interest-bearing loans	115,356		15,000	
Other provisions	0		0	
		115,356		15,000
Current liabilities				
Amounts owed to group companies	405		600	
Interest-bearing loans and bank overdrafts	80,165		107,263	
Other current liabilities	10,454		10,798	
		91,024		118,661
Total liabilities		**446,363**		373,446

The letters following the various items refer to the notes on pages 158 to 162.

COMPANY INCOME STATEMENT

(in thousands of euros)

	2013	2012
		revised
Net profit from subsidiaries after taxes	20,029	28,959
Other results	-1,009	-5,667
	19,020	23,292

Valuation principles and accounting policies relating to the determination of the result

The company financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code. In accordance with article 2:362 (8) of the Dutch Civil Code, the accounting policies for the parent company are identical to the policies that Accell Group NV applies with regard to the consolidated financial statements. Information on the accounting policies is given in the notes to the consolidated financial statements.

The financial data of Accell Group NV are incorporated in the consolidated financial statements. Therefore an abbreviated income statement is presented for the company under article 2:402 of the Dutch Civil Code.

Subsidiaries

In accordance with article 2:362 (8) of the Dutch Civil Code, subsidiaries that are included in the consolidation are stated at net asset value. The equity and results of the subsidiaries have been determined in accordance with the accounting policies of Accell Group NV.

NOTES TO THE COMPANY BALANCE SHEET

(in thousands of euros)

a) Financial fixed assets

The changes in the financial fixed assets are as follows:

	2013	2012 revised
Subsidiaries		
Balance as at 1 January	236,661	167,811
Net profit	20,029	28,959
Investments /divestments	-58,538	73,546
Dividend payments	-8,182	-32,277
Translation differences	-5,678	-356
Other movements	786	-1,022
Balance as at 31 December	**185,078**	236,661
Receivables from group companies		
Balance as at 1 January	91,461	61,161
Loans provided	268,580	43,761
Loans repaid	-123,756	-13,461
Balance as at 31 December	**236,285**	91,461
Total financial fixed assets	**421,363**	328,122

Investments/divestments in 2013 are mainly related to the transfer of the participation value of the Raleigh companies to the respective holding companies.

b) Equity

The authorised capital amounts to € 650,000, divided into 27,500,000 ordinary shares, 5,000,000 preference shares F and 32,500,000 preference shares B, each with a nominal value of € 0.01. Of these, 24,402,809 ordinary shares have been issued and duly paid, as a result of which the issued and paid-up share capital amounts to € 244,028.49.

Statement of movements in shareholders' equity

I. Share capital		
Balance as at 31 December 2012	239	
Stock dividend	5	
Options exercised and stock option plan	0	
Balance as at 31 December 2013		**244**
II. Share premium reserve		
The share premium reserve includes amounts paid in on the shares over and above the nominal value.		
Balance as at 31 December 2012	44,799	
Stock dividend	-5	
Options exercised and stock option plan	-352	
Balance as at 31 December 2013		**44,442**
III. Hedging reserve		
The hedging reserves comprises of the effective part of the cumulative net movement in the fair value of the cash-flow hedging instrument, after allowing for deferred taxes.		
Balance as at 31 December 2012	-8,426	
Fair value adjustment of financial instruments	-3,516	
Movement in deferred taxes	2,895	
Balance as at 31 December 2013		**-9,047**
IV. Translation reserve		
The translation reserve comprises of foreign currency exchange differences on the translation of the foreign currency balance in participations.		
Balance as at 31 December 2012	-4,310	
Exchange differences arising on translation of foreign operations	-8,425	
Balance as at 31 December 2013		**-12,735**
V. Statutory reserve		
The statutory reserve comprises of capitalised development expenditure and statutory reserve participations.		
Balance as at 31 December 2012	1,984	
Change in intangible fixed assets	-313	
Other movements	-141	
Balance as at 31 December 2013		**1,530**
VI. Other reserves		
Revised balance as at 31 December 2012	182,207	
Movement profit 2012	23,292	
Dividend payment 2012	-10,836	
Recognition of share-based payments	267	
Remeasurement of defined benefit obligations	1,177	
Movement in deferred taxes	-30	
Change in intangible fixed assets	313	
Other movements	139	
Balance as at 31 December 2013		**196,529**
VII. Profit for the year		
Revised balance as at 31 December 2012	23,292	
Movement profit 2012	-23,292	
Net profit 2013	19,020	
Balance as at 31 December 2013		**19,020**
Total equity as at 31 December 2013		**239,983**

The statutory reserves, including the hedging reserve (Article 2:390 of the Dutch Civil Code), the translation reserve (Article 3:389 paragraph 8 of the Dutch Civil Code) and other statutory reserves (development costs, Article 2:365 lid 2 Dutch Civil Code and statutory reserve participations, Article 2:389 lid 6 Dutch Civil Code) are regarded as other statutory reserves pursuant to Article 2:373 of the Dutch Civil Code and, consequently, are therefore not available for distribution to shareholders.

Remuneration of the Board of Directors and the Supervisory Board

Board of Director

The remuneration of the individual members of the Board of Directors is as follows[1]:

	Salary	Bonus	Pension contributions	Share-based payments
	in €	in €	in €	in €
R.J. Takens	449,000	65,105	138,486	83,559
H.H. Sybesma	345,000	50,025	68,345	64,248
J.M. Snijders Blok	283,000	41,035	67,173	52,702
Total	**1,077,000**	**156,165**	**274,004**	**200,509**

[1] The company's remuneration policy is reflected in the remuneration report that has been presented to the General Meeting of Shareholders for approval. The bonuses reflected in the financial statements relate to the financial year and depend on the targets set by the Supervisory Board. 14,5% out of a maximum to be possible bonus of 50% was paid out.

Supervisory Board

The remuneration of the individual members of the Supervisory Board is as follows:

	in €
A.J. Pasman	50,203
A. Kuiper	25,960
J.H. Menkveld	12,982
J. van den Belt	38,942
P.B. Ernsting	38,942
Total	167,029

Shares

At the end of 2013 Mr. Takens has 119,888 shares, Mr. Sybesma has 8,037 shares and Mr. Snijders Blok has 16,367 shares.

Stock option plan

The company has a stock option plan for members of the Board of Directors. In the event of full exercise of the option entitlements granted to date the number of issued shares would increase by 0.5%. According to company policy, the option entitlements are not covered by the company's purchase of its own shares. In case of equity-settlement new shares are issued by the company at the time options are exercised.

Below an overview is provided on the number and movement in stock option entitlements:

Options	Number at 31-12-2012	Number at 31-12-2013	Granting date	Expiry date	Exercise price in €	Fair value at granting date in €	Average exercise price in €
Granted in 2008	31,400	0	22-02-08	3-5 year	12.58	2.82	13.65
Granted in 2009	31,800	0	20-02-09	3-5 year	9.08	1.86	14.23
Granted in 2010	25,640	25,640	19-02-10	3-5 year	16.65	2.84	
Granted in 2011	24,480	24,480	24-02-11	3-5 year	19.39	3.57	

At 22 February 2013 8,900 options were exercised, at 11 April 2013 31,100 options and at 10 October 2013 19,200 options.

The stock option entitlements that have been granted comprise of the following:

Directors	Number at 01-01-2013	Issued in 2013	Exercised in 2013	Number at 31-12-2013	Average exercise price beginning of period in €	Average exercise price at year-end in €	Weighted average term at year-end
R.J. Takens	53,280	-	32,800	20,480	13.39	17.99	1.65
H.H. Sybesma	16,260	-	-	16,260	17.99	17.99	1.65
J.M. Snijders Blok	43,780	-	30,400	13,380	13.22	17.99	1.65
	113,320	-	63,200	50,120			

The Supervisory Board awards options to the directors based on the realisation of targets set in agreement with the Board of Directors and the expected contribution that the members of the Board of Directors will make to the further development of the company. After granting, the stock options are unconditional.

Employees

Accell Group N.V. has an average of 24 employees in 2013 (2012: 20) of which 2 are employed overseas (2012: 2).
Wages and salaries, social security charges and pension contributions amounts to € 3.2 million, € 0.4 million and € 0.4 million in 2013 (2012: € 2.8 million, € 0.4 million and € 0.4 million). In the social security charges an accrual is made for the payment of the Dutch crisis levy amounting to € 0.2 million, which is unexpectedly extended by one year. Accell Group does not consider this crisis levy as remuneration.

Off-balance sheet commitments

The legal entity is part of the 'Accell Group N.V.' fiscal unity, and as such is jointly and severally liable for the tax liability of the fiscal unity as a whole.

In accordance with article 2:403 (1f) of the Dutch Civil Code, the company has accepted joint and several liability for the liabilities arising from acts with legal consequences of the Dutch subsidiaries. Notices to that effect have been filed with the chamber of commerce where the legal entity on whose behalf the notice of liability has been given is registered.

Supervisory Board

A.J. Pasman, chairman
J. van den Belt, vice-chairman
P.B. Ernsting
A. Kuiper

Board of Directors

R.J. Takens, CEO
H.H. Sybesma, CFO
J. M. Snijders Blok, COO

Heerenveen, March 10, 2014

OTHER INFORMATION

Profit appropriation pursuant to the Articles of Association

Article 25 (partial)

Paragraph 4
The Board of Directors, subject to the approval of the Supervisory Board, is authorised to determine which part of the profit shall be allocated to the reserves, after payment of dividends to the holders of both 'B' preference shares and 'F' preference shares.

Paragraph 5
The profit then remaining shall be at the disposal of the general meeting of shareholders for the holders of ordinary shares. Pursuant to a proposal of the Board of Directors that has been approved by the Supervisory Board, the general meeting of shareholders may resolve that all or part of a dividend distribution to the holders of ordinary shares shall be made in shares in the share capital of the company instead of cash.

Dividend proposal

The Board of Directors proposes to pay shareholders a dividend of € 0.55 per share (2012: € 0.75), to be paid in cash or shares at the shareholder's discretion.

Events after balance sheet date

For events after balance sheet date reference is made to note 27.

Independent auditor's report

To: the General Meeting of Shareholders of Accell Group N.V.,
Heerenveen, the Netherlands

Report on the financial statements

We have audited the accompanying financial statements 2013 of Accell Group N.V., Heerenveen. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at December 31 2013, consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of changes in equity for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at December 31 2013, the company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position of Accell Group N.V. as at December 31, 2013 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements
In our opinion, the company financial statements give a true and fair view of the financial position of Accell Group N.V. as at December 31, 2013 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the board report (page 28 to 81), to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Utrecht, March 10, 2014
Deloitte Accountants B.V.

Signed by: A.J. Heitink

HISTORICAL SUMMARY

(in millions of euros, unless stated otherwise)

	2013	2012	2011	2010	2009	2008	2007	2006
Net turnover	849.0	772.5	628.5	577.2	572.6	538.0	476.1	431.7
Personnel costs	106.6	101.6	80.6	76.6	73.5	71.5	67.5	66.1
Operating profit (EBIT)	33.9	32.7	34.8	46.4	49.9	46.2	35.0	30.1
Financial income and expenses	-11.7	-6.9	-7.8	-4.2	-5.5	-6.0	-5.6	-3.9
Taxes	3.7	2.6	3.1	5.8	11.8	11.8	9.6	7.9
Net profit	19.0	23.3	40.3	36.4	32.7	28.6	19.8	18.4
Depreciation	8.7	8.2	7.4	7.5	7.4	6.9	5.8	4.9
Free cash flow 1)	-30.9	-19.9	16.9	-1.1	27.1	12.2	-10.0	-32.9
Investments in property, plant and equipment	6.8	22.8	11.2	6.2	6.7	12.9	12.6	10.7
Balance sheet total	579.6	589.7	434.0	383.9	337.3	335.4	277.6	245.6
Property, plant and equipment	65.8	71.2	64.1	59.6	61.2	61.3	54.9	48.7
Capital employed 2)	447.1	407.5	349.2	301.2	258.7	259.3	223.6	190.8
Group equity	240.0	239.8	214.6	180.4	151.8	132.1	107.1	91.9
Net debt	183.5	143.8	115.7	100.5	84.8	99.0	99.6	87.1
Provisions	30.3	27.9	22.5	23.3	33.1	31.3	16.9	11.6
Average number of employees (FTEs)	2,926	2,776	2,234	1,877	1,787	1,778	1,713	1,671
Number of issued shares at year-end	24,402,849	23,863,432	21,094,760	20,609,012	20,034,168	19,556,344	18,985,900	18,503,676
Weighted average number of issued shares	24,195,467	22,897,471	20,905,497	20,385,290	19,856,130	19,342,818	18,813,480	18,352,658
Market capitalization	327.0	317.6	297.4	389.5	292.2	176.0	235.0	240.5
Data per share 3) (in euros)								
Group equity	9.92	10.25	9.70	8.20	6.91	6.03	4.88	4.20
Cash flow from ordinary activities	-1.28	-0.85	0.76	-0.05	1.24	0.56	-0.45	-1.50
Net profit on ordinary activities	0.79	1.00	1.82	1.65	1.49	1.30	0.90	0.82
Dividend 4)	0.55	0.73	0.87	0.79	0.71	0.63	0.54	0.40
Ratios (in %)								
ROCE	7.6	8.0	10.0	15.4	19.3	17.8	17.7	15.8
ROE	7.9	9.7	18.8	20.2	21.6	21.6	22.8	20.0
Operating profit/turnover	4.0	4.2	5.5	8.0	8.7	8.6	8.3	7.0
Net profit/turnover	2.2	3.0	6.4	6.3	5.7	5.3	5.1	4.3
Free cash flow 1)/turnover	-3.6	-2.6	2.7	7.6	7.0	7.0	5.4	5.4
Balance sheet total/turnover	68.3	76.3	69.1	66.5	58.9	62.3	58.3	56.9
Solvency (based on group capital)	41.4	40.7	49.4	47.0	45.0	39.4	38.6	37.4
Net debt/ EBITDA 5)	4.0	3.3	2.6	1.9	1.5	1.8	2.2	2.5
Pay-out ratio	70.0	74.1	47.8	47.9	47.9	48.1	48.1	47.4
Dividend yield (including dilution 3))	4.1	5.5	6.2	4.2	4.9	7.0	4.3	3.1
Closing price of share	13.40	13.31	14.10	18.90	14.59	9.00	12.38	13.00

1) Free cash flow is defined as the balance of the net cash flow from operating- and investment activities.
2) Capital employed is the balance sheet total minus cash and cash equivalents and current non-interest bearing obligations (including current part of provisions).
3) The data per share are calculated based on the weighted average number of issued shares. The data per share for the years 2006-2012 have been adjusted for the dilution resulting from the issue of stock dividend charged to the share premium reserve in accordance with the International Financial Reporting Standards (IAS33). The adjustment factor that was applied in the reporting year for 2012 and for previous years is 0.97852.
4) The dividend per share relating to the financial year 2013 concerns the proposal to be submitted to the General Meeting of Shareholders.
5) EBITDA is based on the operating profit adjusted with one-off items.


RALEIGH

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