

Half year 2005

21 July 2005



Half year results Accell Group N.V.

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Amsterdam, 21 July 2005

Half year 2005

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Summary results

Accell Group in 1st half year 2005

Share Accell Group

Financial

Outlook

1st half year Accell Group

- Earnings per share + 22%
- Increase turnover in relation to 1st half year 2004 (+5%) in market with cautious consumers
- Increase net result (+26%)
- Increase sales bikes in higher segment
- Higher average prices and a further improvement of added value
- Strong growth parts & accessories and fitness

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Organic

- 1st half year 2004 was good, 1st half year 2005 turnover organic on same level
- Increase result because of higher average prices and a higher added value:
 - Higher prices for innovative products
 - Less bikes in lower segment

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Acquisitions

- Growth of turnover in 1st half year 2005 because of acquisitions
- Growth Parts & accessories:
 - Integration Juncker and van Buuren
 - Julius Holz (parts & accessories)
- Expansion fitness activities:
 - Tunturi GmbH not in 1st half year 2004
 - Lacasdail Holdings Ltd. from 50% to 100%

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Summary results 1st half year

(all figures based on IFRS)

(x EUR million)	30-6-2004	31-12-2004	30-6-2005	
Turnover	204,3	341,1	213,8	5%
Net result	7,6	13,1	9,6	26%
Earnings per share	0,90	1,54	1,10	22%
Solvency excl. NIB loan	37,4%	36,9%	41,2%	
Balance sheet total	155,6	166,3	174,8	
Share price	11,40*	15,70	17,15	50%

* Recalculated after split up

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Turnover split up

(x € million)	H1 2004 % sales		2004 % sales		H1 2005 % sales	
Bikes	172,2	84,3%	275,0	80,6%	172,2	80,5%
Parts & accessories	23,2	11,4%	44,7	13,1%	28,4	13,3%
Fitness	8,9	4,3%	21,4	6,3%	13,2	6,2%
	<u>204,3</u>	100,0%	<u>341,1</u>	100,0%	<u>213,8</u>	100,0%

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Bicycles

- Higher average prices because of ION and BMW
- Big differences per segment:
 - Growth high segment; focus on profitability
 - Decrease turnover in lower segment because of focus on margin improvement



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Anti-dumping

- Anti-dumping duty on imports from Republic of China and Vietnam imposed for a new period of 5 years
- New regulation enters into force on 13 July 2005
- Rates:
 - China : 48,5% (was 30,6%)
 - Vietnam: : 34,5% (was 0,0%)

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Parts & accessories



- Integration Juncker and van Buuren completed
- Growth market share in Germany because of acquisition Julius Holz
- Increase share turnover parts & accessories with dealers
- Synergy



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Fitness

- Trend 'healthier life style, more moving' will stay actual in the coming years
- New products are well introduced (aimed at middle and higher segments of the 'home use' market)
 - Tunturi
 - Bremshey
- Increase of distribution activities in UK, Austria and North America

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Netherlands

- 'Economic situation uncertain'
- Turnover Accell Group Netherlands on same level as 2004, growth turnover in innovative products:
 - Market share Sparta further increasing
 - Less activities in cheap kid bikes
- Growth parts & accessories
 - Juncker Bike Parts expected turnover approximately € 16 mln

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Germany

- Despite of unchanging 'price fighters market' higher profitability in 2005:
 - Increase of turnover
 - Right products
 - Less quantity in lower segments
 - Cost reduction
- Growth 'custom made' programme
- Start delivery BMW bikes
- Position IBD channel still under pressure
- Further growth position in parts & accessories

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France

- More attention for export activities Lapierre
- Continuous pressure on prices bikes in hypermarkets
- Less quantity because of decrease promotional orders in lower segment

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Accell Group in 1st half year 2005

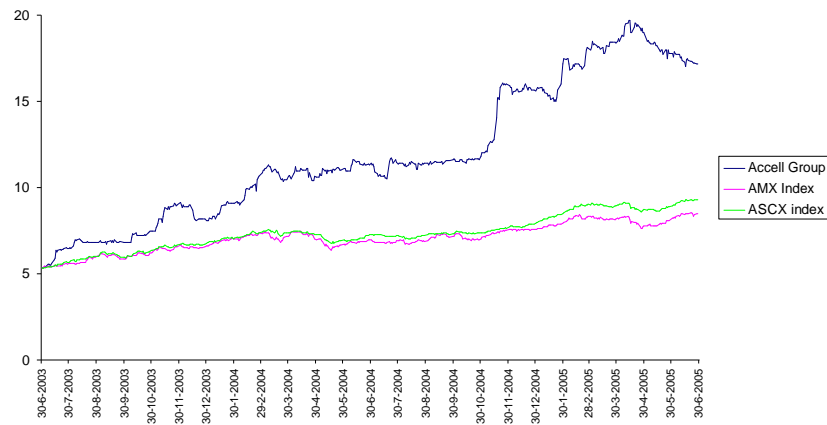
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Share price development



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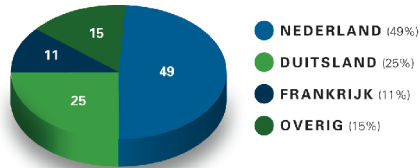
Accell Group in 1st halfyear 2005

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Geographical spread of turnover



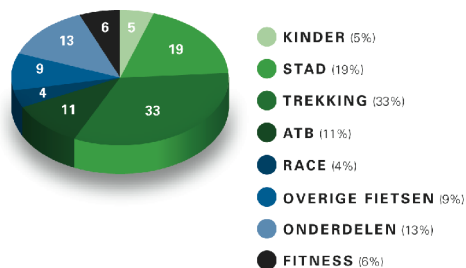
(* EUR mill.)

	H1 2004	H1 2005	% Change
Netherlands	106,7	105,2	-1%
Germany	47,2	54,1	15%
France	24,9	23,0	-8%
Overig	25,5	31,5	24%
Total	204,3	213,8	5%

- Growth other especially because of fitness activities
- Growth Germany including effect acquisition Holz in 2005 en establishment Tunturi GmbH in 2nd half year 2004
- Decrease turnover France because of less promotional orders

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Turnover per segment



(* EUR mill.)

	H1 2004	H1 2005	% Change
Children	13,0	10,8	-17%
City	43,8	40,1	-8%
Trekking	70,9	70,0	-1%
ATB	22,7	23,3	3%
Racing	9,7	9,1	-6%
Other bikes	12,1	18,9	56%
Parts	23,2	28,4	22%
Fitness	8,9	13,2	48%
Total	204,3	213,8	5%

- Mix changes because of increase parts and fitness activities
- Turnover other bikes growing, especially because of ION

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Profit & loss account

Amounts x € 1.000	30-6-2004	2004	30-6-2005	
Net turnover	204,3	341,1	213,8	5%
Cost of raw materials	126,4	210,8	130,5	3%
Other operating costs	64,5	107,6	67,2	4%
Operating profit (EBIT)	13,4	22,7	16,1	20%
Minority interests	-0,2	-0,3	0,0	
Interest costs	1,9	2,8	2,0	5%
Taxes	4,1	7,1	4,5	10%
Net profit	<u>7,6</u>	<u>13,1</u>	<u>9,6</u>	26%

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Profit development

- Increase average prices:
 - Because of increase sales in higher segment
 - Because of less sales in lower segment
- Lower purchase prices from season to season:
 - Synergy
 - Improving supplier conditions

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Operational costs

(x € million)	30-6-2004	% omzet	30-6-2005	% omzet
Personel costs	30,2	14,8%	31,5	14,7%
Depreciations	2,7	1,3%	2,8	1,3%
Other operational costs	31,6	15,5%	32,9	15,4%
Total	<u>64,5</u>	31,6%	<u>67,2</u>	31,4%

- Operational costs remained on the same level related to sales

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Working capital

(x € million)	30-6-2004	2004	30-6-2005	05 -> 04
Stocks	55,9	68,7	63,6	14%
Debtors	50,3	43,8	57,7	15%
Creditors	20,9-	13,8-	23,8-	14%
Total	<u>85,3</u>	<u>98,7</u>	<u>97,5</u>	14%

- Development stocks:
 - Effect acquisitions op increase stocks approximately € 4,1 mln
 - Organic growth stocks approximately 6%
- Increase debtors because of higher sales in June

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Balance sheet, assets (x € mln)

Assets	30-6-2004	31-12-2004	30-6-2005
<i>Fixed assets</i>			
Intangible fixed assets	2.676	3.231	3.389
Tangible fixed assets	38.148	39.673	41.504
Financial fixed assets	5.880	5.708	4.843
	<u>46.704</u>	<u>48.612</u>	<u>49.736</u>
<i>Current assets</i>			
Stocks	55.891	68.669	63.613
Receivables	53.043	49.044	61.434
	<u>108.934</u>	<u>117.713</u>	<u>125.047</u>
Total assets	<u>155.638</u>	<u>166.325</u>	<u>174.783</u>

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Balance sheet, liabilities (x € 1.000)

Liabilities	30-6-2004	31-12-2004	30-6-2005
Group equity	58.272	61.296	71.937
Subordinated loan	5.000	4.500	4.000
Provisions	11.136	9.153	10.072
Long term debt	21.358	22.120	21.898
Credit institutions	17.686	38.826	19.996
Short term debt	42.186	30.430	46.880
	<u>155.638</u>	<u>166.325</u>	<u>174.783</u>

- Solvency improved from 37,4% to 41,1% (excl. NIB)
- Increase use of supplier credit

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IFRS: Group equity

<i>Amounts x € million</i>	30-6-2004
Group equity according to dutch GAAP:	54,3
Goodwill	0,0
Buildings	8,7
Stocks	-1,1
Provision for pensions	-1,3
Valuation financial instruments	0,7
Employee Benefits	<u>-0,9</u>
	6,1
Deferred taxes	-2,1
Group equity according to IFRS	<u>58,3</u>

- Effect IFRS on result not material

NB: IFRS-figures are indicative; status of IFRS-standards per 31 december 2005 will be leading for financial compliance

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Execution proposed dividend

▪ Number of outstanding shares per 01-01-2005	8.656.267
▪ Emission of stocks as a result of executing options	100.000
▪ Proposed dividend	
▪ 74% of dividend rights paid as stock dividend	258.748
▪ Number of outstanding shares per 30-06-2005:	9.015.015
▪ Average number of shares per 30-06-2005:	8.777.045

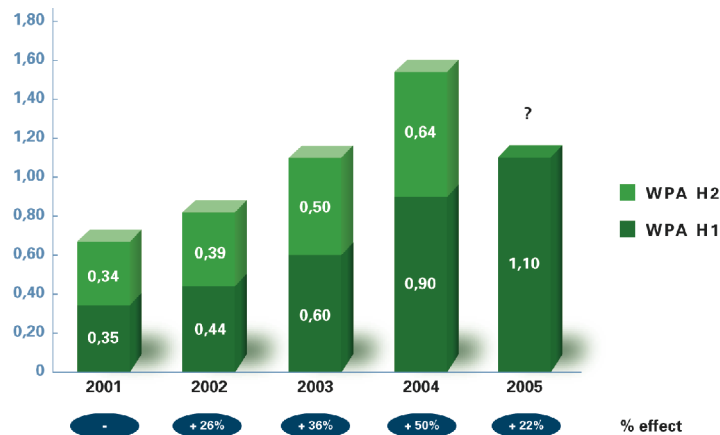
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Ratio's

	30-06-2004	31-12-2004	30-06-2005
Operating profit/turnover	6,6%	6,7%	7,5%
Solvency	37%	37%	41%
Per share (x €)			
Group equity	6,90	7,17	8,20
Net profit from ordinary operations	0,90	1,54	1,10

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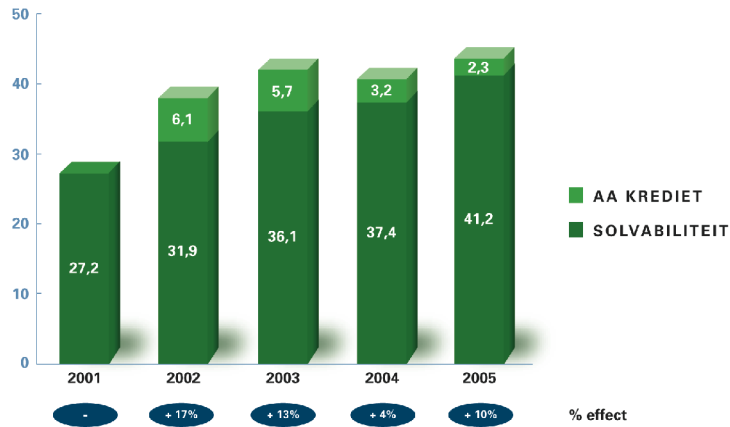
Overview ratio's – EPS



* Figures 2004 and 2005 according to IFRS

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Overview ratio's – Solvency per 30-06



* Including AA-krediet NIB Capital, figures 2004 and 2005 according to IFRS

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Outlook

Accell Group will continue investing...

- Further investments in innovative and appealing products to consumers
- Marketing
 - Examine consumers and dealers wishes and needs
 - Tell customers which products we can offer
 - Support dealers in advising consumers and help selling to consumers
- Initiatives for cost reduction

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Outlook

- Maintain strategic objectives:
 - Organic growth
 - Acquisitions
 - Realizing Synergy
- Continuous depressed consumer confidence unchanged in our main countries
- For full year 2005 increase earnings per share 5 – 15%
(barring unforeseen circumstances)

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Half year 2005

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