

# **Annual results 2004 Accell Group N.V.**

**Annual Shareholders Meeting  
21 April 2005**

# Agenda

## Summary results

Accell Group in 2004

Share Accell Group

Financials

Outlook

## A good year ...

- Turnover + 18%, autonomous turnover growth 7%
- Good positioning and marketing of brands
- Consistent strategy
- Innovative and appealing products for consumers
- Flexibility
- Margin improvement
  
- **Net result + 42%**
- **EPS + 38%**
- **EBIT from 5,7% to 6,6% of turnover**

# Summary results

(x EUR mil)

	31-12-2002	31-12-2003	31-12-2004	
<b>Turnover</b>	259,4	289,6	<b>341,1</b>	18%
<b>Net profit</b>	6,8	9,2	<b>13,0</b>	42%
<b>EPS</b>	0,82	1,10	<b>1,52</b>	38%
<b>Solvency excl. NIB loan</b>	37,6%	35,6%	<b>37,3%</b>	
<b>Solvency incl. NIB loan</b>	44,3%	40,4%	<b>40,7%</b>	
<b>Balance sheet total</b>	112,5	134,9	<b>158,6</b>	
<b>Share price</b>	5,08*	8,10*	<b>15,70</b>	94%

\* Re-calculated after stock split

## Turnover split up

(x € mil)	2003	% turnover	2004	% turnover	% growth
Bicycles	251,7	86,9%	275,0	80,6%	9,3%
Parts & accessories	26,6	9,2%	44,7	13,1%	68,0%
Fitness	11,3	3,9%	21,4	6,3%	89,4%
	<u>289,6</u>	100,0%	<u>341,1</u>	100,0%	17,8%

## Bicycles: 'recreation and mobility'

- Growing expenditures for active recreation area
- Initiatives to stimulate the usage of bicycles in Europe
- Increasing usage of the bicycle in order to enhance mobility
- Competition of these products in many countries via marketing and technique

## Parts & accessories: 'life cycle and image'

- Consumer:
  - When purchase new bicycle is postponed, consumer will choose for maintenance and upgrading of existing bicycle
- Dealer:
  - Share of turnover is growing
- Accell Group:
  - Possibilities for synergy, within parts group as well with other segments

## Fitness: 'moving and performing'

- Growth market, trend 'healthier living, more movement'
  - Aging population
  - Growing problem of overweight
- When weather is good, people are outside, when weather is bad people need alternative: Fitness!
- Home use market growing
  - Medical need
  - Larger choice of equipment
- New products in development aim for mid and higher segments of 'home use' market

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## Netherlands

- Growth turnover Batavus because of strong campaign 100th anniversary
- Due to ION (bicycle of the year 2004) Sparta increased market share
- Sportive performances Leontien van Moorsel and Theo Bos with KOGA
- Extension parts & accessories
  - Integration Juncker, F. van Buuren & Co and Loekie

## Germany

- Stabilising of the market
- Strong focus brands remain necessary
- Custom made program to go with trend of personal wishes
- Bicycles for BMW
- Growth P&A market
- Improvement results in 2004



Freude am Fahren

## France

- Marketing: strong positioning brand Lapierre
- Product high-tech and innovative
- Few changes in hypermarkets
  - Remains competitive market for specialists
  - Lot of attention to efficiency of production

## Other countries

- Growth turnover with consolidation Tunturi:
  - Bicycle turnover Finland
  - Fitness turnover International
- Fitness: investments in development and marketing of new products
  - Enhancement position Tunturi
  - Results 2004 were behind due to late availability products
- Export activities existing brands were growing
  - Koga
  - Lapierre

# Acquisitions

- Acquisitions 2004:
  - Juncker BV; wholesaler P&A
  - F. Van Buuren & Co BV; wholesaler P&A
  - Bremshey: own organisation fitness started in Germany and assets Bremshey bought
- Acquisitions 2005:
  - Julius Holz GmbH & Co Kg: wholesaler in bicycles and P&A
  - Lacasdail Holdings Ltd; distribution fitness activities U.K. from 50% to 100%

## Status appeal NM<sup>a</sup>

- In april 2004 fine received of € 12,8 miljoen
- Appeal started
- Payment obligation suspended because of appeal
- Charges are incorrect, unfounded and far from normal
- So far unknown how long procedure will take
- Appeal at court possible when current appeal will be negative

# Agenda

Summary results

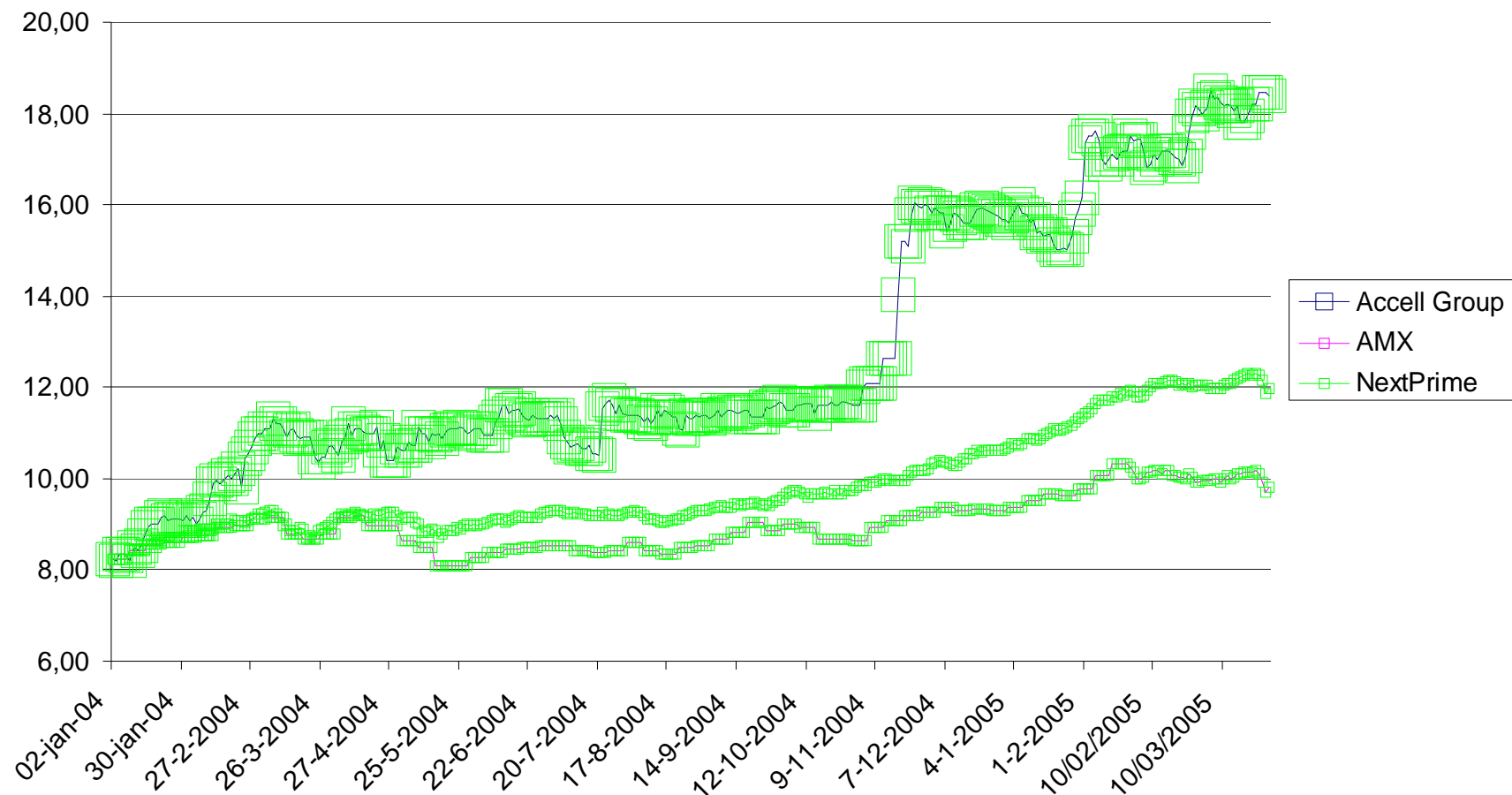
Accell Group in 2004

**Share Accell Group**

Financials

Outlook

## Development share price



## Stock split in december 2004

- Share volume gradually increased
- Share price since listing tripled
- Split up 2 to 5 to increase tradability

# Agenda

Summary results

Accell Group in 2004

Share Accell Group

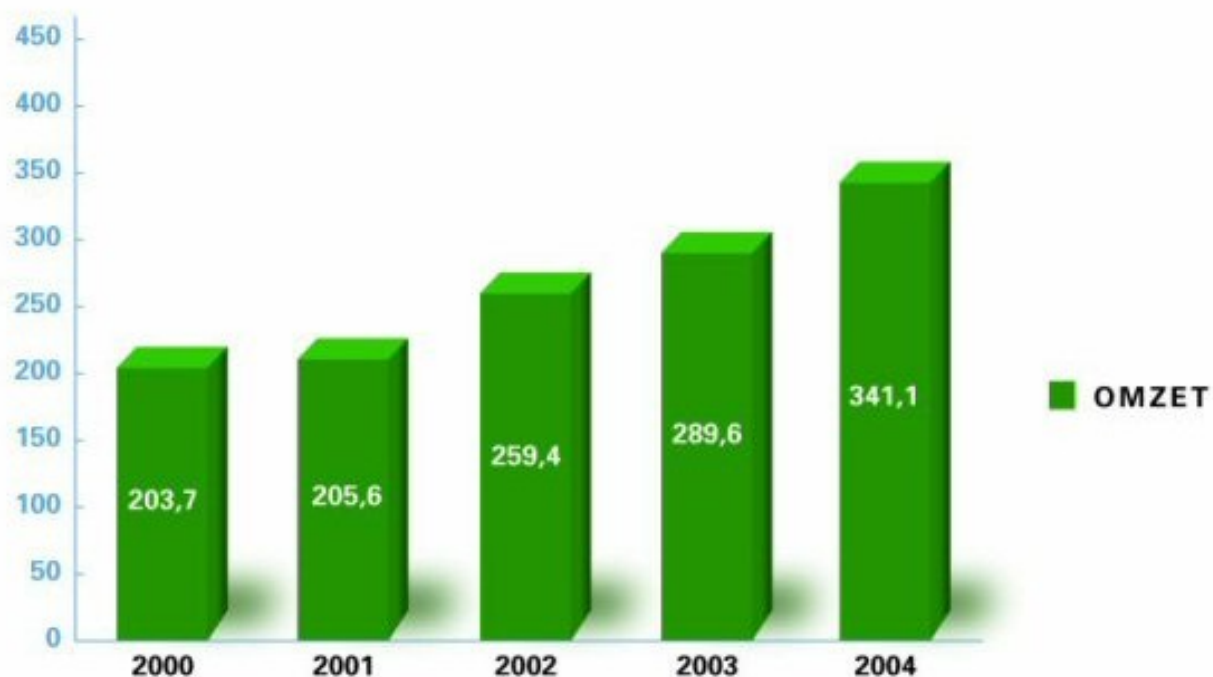
**Financials**

Outlook

## P&L (1)

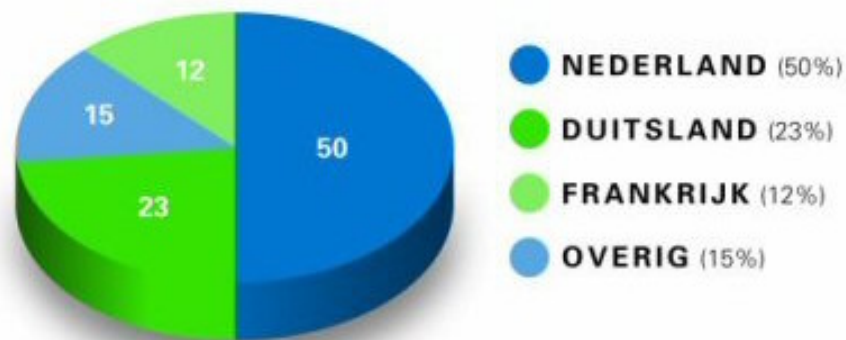
(x € mil)	2003		2004	
<b>Net turnover</b>	289,6		<b>341,1</b>	
Cost of material	184,8	63,8%	210,8	61,8%
Other expenses	88,2		107,8	
<b>EBIT</b>	16,6	5,7%	<b>22,5</b>	6,6%
Result minority share	0,1		0,3	
Interest	(2,6)		(2,8)	
Taxes	(4,9)		(7,0)	
<b>Net profit</b>	<u>9,2</u>	3,2%	<u>13,0</u>	3,8%

## Turnover development last 5 years



- # of sold bicycles in 2004: 865.000 pcs (2003: 805.000)
- Average price sold bicycles remained equal

## Geographic turnover development

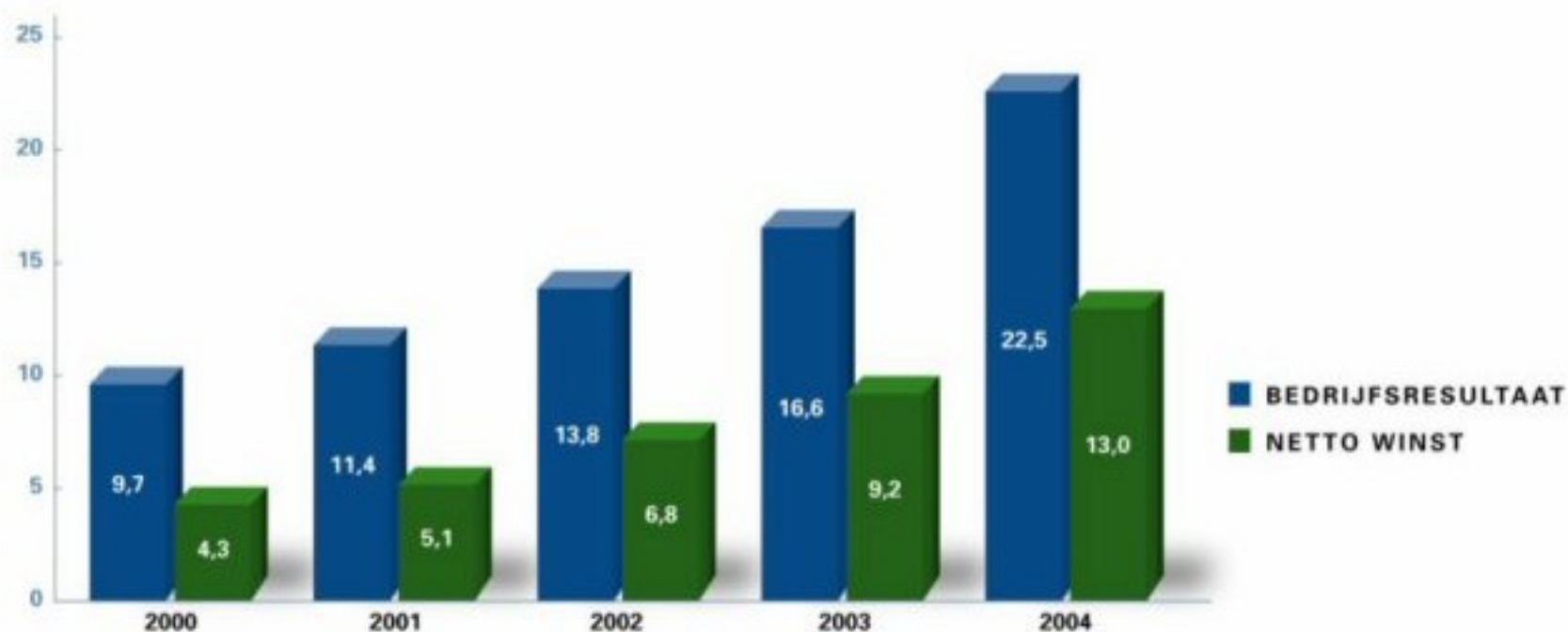


(\* EUR mil.)

Netherlands  
Germany  
France  
Others  
**Total**

	2003	2004
Netherlands	141,2	170,8
Germany	77,1	77,9
France	41,9	42,8
Others	29,4	49,6
<b>Total</b>	<b>289,6</b>	<b>341,1</b>

## Result development last 5 years



## Cost of material

- Cost of material relatively decreased:

(x € mil)	2003	%	2004	% turnover
Turnover	289,6	100,0%	341,1	100,0%
Cost of material	184,8	63,8%	210,8	61,8%
Added value	<u>104,8</u>	36,2%	<u>130,3</u>	38,2%

- Improvement added value explained through:
  - Good sales mix (right products and good margin)
  - Usage of economies of scale purchasing
  - Increasing weak dollar gives advantages from season to season

# Operational expenses

- Operational expenses, excl. Cost of material, relatively increased

(x € mil)	2002	2003	2004
Cost of labour	38,7	45,2	53,8
Depreciations	2,8	3,9	4,9
Other expenses	30,9	39,1	49,1
Total	<u>72,4</u>	<u>88,2</u>	<u>107,8</u>

- Labour costs from 15,6% to 15,8% of turnover
- Other expenses from 13,5% to 14,4% of turnover
- Total expenses of 30,5% to 31,6% of turnover

## Balance sheet, assets

### Assets (x € million)

	2003	2004
<i>Fixed assets</i>		
Intangible assets	0,6	3,0
Tangible assets	28,9	30,8
Fiancial fixed assets	5,6	5,7
	<u>35,1</u>	<u>39,5</u>
<i>Other assets</i>		
Stock	54,1	70,1
debtors	45,6	48,9
Cash	0,1	0,1
	<u>99,8</u>	<u>119,1</u>
<b>Total assets</b>	<u><u>134,9</u></u>	<u><u>158,6</u></u>

## Working capital

(x € mln)	2003	2004
Stock	54,1	70,1
Debtors	45,6	48,9
Short term debt	25,6-	25,5-
	<u>74,1</u>	<u>93,5</u>

- Increasing attention to stocks:
  - Including take-overs € 16,0 mln higher stock (effect take-overs € 5,7 mln)
  - Increase stocks due to product planning and sales pattern
- Incidental less use of supplier credit at the end of 2004

## Balance, liabilities

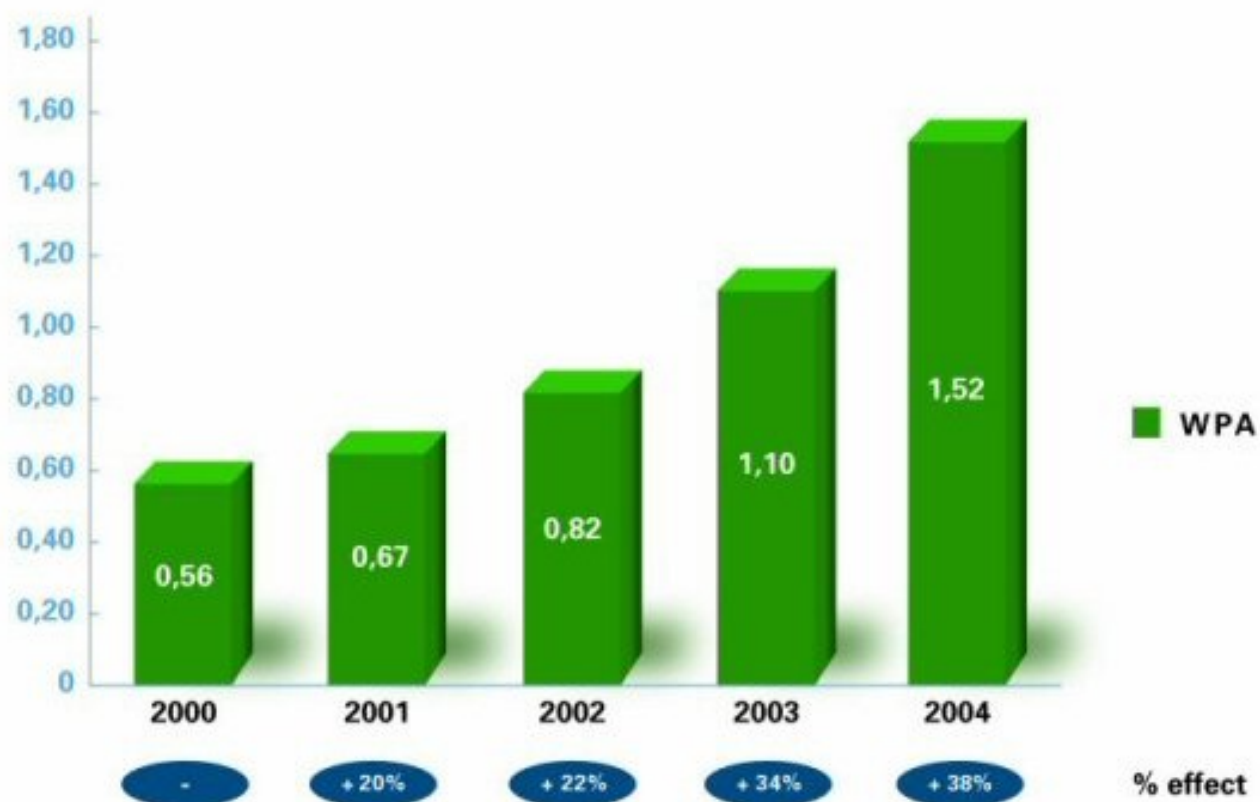
Liabilities (x € million)	2003	2004
Group equity	48,1	59,1
Provisions	7,0	6,8
Long term debt	28,5	28,4
Credit institutions	25,7	38,8
Short term debt	25,6	25,5
	<u>134,9</u>	<u>158,6</u>

- Credit institutions increased due to stock development

## Cash flow

	2003	2004
Net profit	9,2	13,0
Depreciations	3,9	4,9
Operational cash flow	<u>13,1</u>	<u>17,9</u>
Working capital	5,2	(13,4)
Working capital acquisitions	(9,5)	(6,0)
Financial assets	1,6	0,0
Other investments	(7,8)	(6,3)
Other cash flow	<u>(10,5)</u>	<u>(25,7)</u>
<b>Free cash flow</b>	<b>2,6</b>	<b>(7,8)</b>

## Ratio's – EPS



\* Comparison figures adjusted to share split in december 2004

## Ratio's

	2002	2003	2004
ROCE	14%	15%	17%
ROE	16%	19%	22%
Operational result/ turnover	5%	6%	7%
Solvency excl. Subordinated loan	38%	36%	37%

## Implementation IFRS

- Starting the financial year 2005 Accell Group will apply to all IFRS standards
- Implementation is prepared by a project team of Accell Group complemented with external advisors
- The group equity of Accell Group will increase with ca. € 1 million after applying to IFRS standards per 31 december 2004
- Influence on operational results is not material

# IFRS: Group equity

(Pro forma)

Amounts x € million	31-12-2004
Group equity according to RJ:	<b>59,1</b>
Goodwill	0,2
Buildings	8,9
Stocks	-1,4
Provision for pensions	-1,4
Valuation financial instruments	-2,2
Employee Benefits	-0,9
	<hr/> 3,2
Deferred taxes	-1,9
Group equity according to IFRS	<hr/> <b>60,4</b> <hr/>

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

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## Strategy Accell Group

- Leading in the area of development and sales of durable consumer goods for active recreation and short distance mobility
- Further improvement of the current position, as well as new leading positions in other European countries
- Strategic issues focused on innovated and distinctive products, using the strong brand names of Accell Group

## 2005

- No general improvement of the economic situation, on the other hand more attention for healthy living and more exercising
- Supporting the specialized retail industry
- High attention to synergy and innovation
- Optimization of production- and logistic processes
- Managing costs
- Growth through acquisitions, should there be suitable candidates

## Actual developments 2005

- First months 2005 at good level after late start due to long and late winter
- Further increase turnover and net profit per share  
(barring unforeseen circumstances)

