

Presentation annual results 2010

Okura Hotel, Amsterdam
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René J. Takens, CEO
Hielke H. Sybesma, CFO
Jeroen M. Snijders Blok, COO



Agenda

1. Accell Group in 2010

2. The Accell Group share

3. Financials

4. Outlook

Profit increase and slight revenue growth

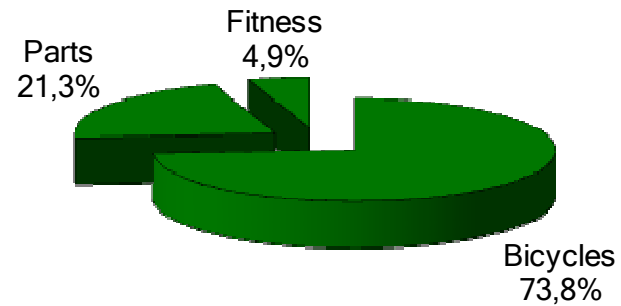
- Turnover increased 1% to € 577.2 mln.
 - -/- 1% organic growth
 - + 2% acquisition growth
- Operating result (EBIT) decreased 7% to € 46.4 mln.
- Net profit increased 11% to € 36.4 mln.
- Earnings per share € 3.57 (2009: € 3.30)

Key developments in 2010

- Turnover in bicycles 2010 dropped 2%
 - Weather conditions were of great influence
 - New season price increase due to adverse exchange rate effects
 - Sales growth of electric and sports bikes
- Sales increase in parts and accessories
- Slight drop in sales of fitness equipment
- Acquisition Accell Bisiklet completed beginning of 2011



Turnover segmentation per product group



| (x € mln.) | Turnover | | '09 -> '10 |
|------------|--------------|--------------|------------|
| | 2009 | 2010 | |
| Bicycles | 433,5 | 425,8 | (2%) |
| Parts | 109,0 | 122,9 | 13% |
| Fitness | 30,1 | 28,5 | (5%) |
| | <u>572,6</u> | <u>577,2</u> | 1% |

Bicycles / bicycle parts & accessories

- Turnover growth + 1% to € 549 mln.
- Number of bicycles sold decreased 4% to 949,000
- Drop in traditional city bikes and children's bikes, increase in sales of electric and sports bikes
- Average bicycle price increased 2% to € 449
- Sales parts and accessories (a.o. XLC) increased 13%

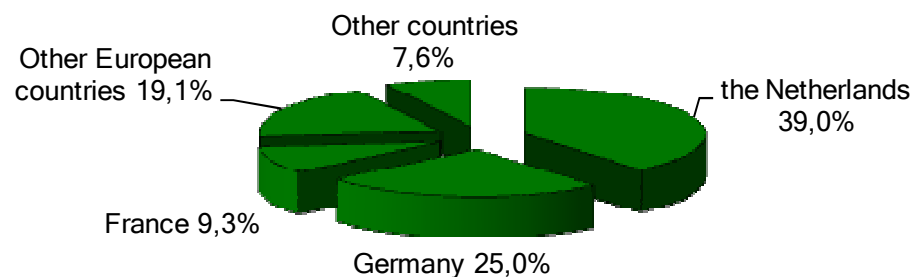


Fitness

- Modest drop in turnover 2010 to € 29 mln.
- Accounting for 5% of Accell Group's total turnover
- Improved result (€ 2 mln.) due to decrease in operating costs:
 - Transfer of activities to third party distributors
 - Cost savings in own organisation

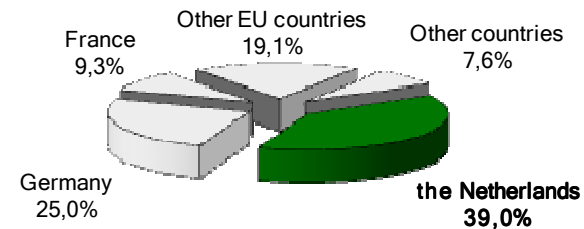


Geographical distribution of turnover



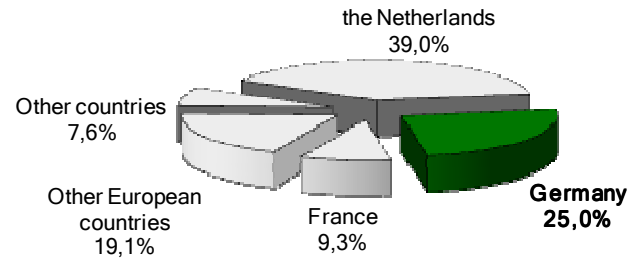
| (x € mln.) | Turnover | | '09 ->'10 |
|-----------------|--------------|--------------|-----------|
| | 2009 | 2010 | |
| the Netherlands | 236,7 | 224,9 | (5%) |
| Germany | 142,2 | 144,5 | 2% |
| France | 57,5 | 53,7 | (7%) |
| Other Europe | 96,7 | 110,1 | 14% |
| Other countries | 39,4 | 43,9 | 12% |
| | <u>572,6</u> | <u>577,2</u> | 1% |

the Netherlands



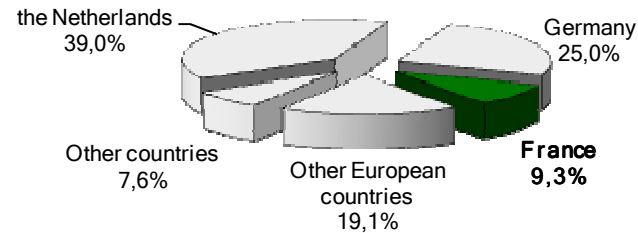
- Turnover in the Netherlands decreased 5% to € 225 mln.
 - Bicycle revenues dropped due to:
 - Weather conditions
 - Less traditional city bikes and children's bikes
 - Changed tax relief scheme for company bicycles
 - Growth target group bikes
 - Increase in turnover of electric bikes in second half year
 - Increase in turnover of parts and accessories

Germany



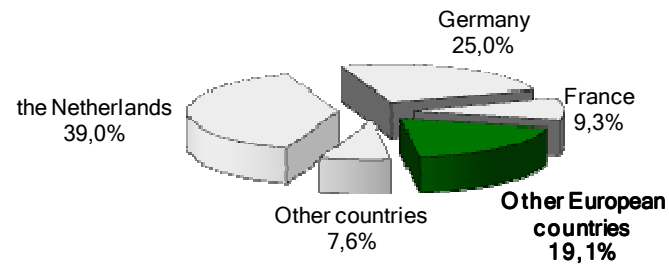
- Turnover in Germany increased 2% to € 145 mln.
 - Growth includes acquisition of Batavus importer (Bäumker)
 - Revenue drop in bicycles, specifically in the second half of the year:
 - Early onset of winter
 - Effects of price increases collection 2011
 - Increase in turnover for electric bikes
 - Increase in sales of parts and accessories

France



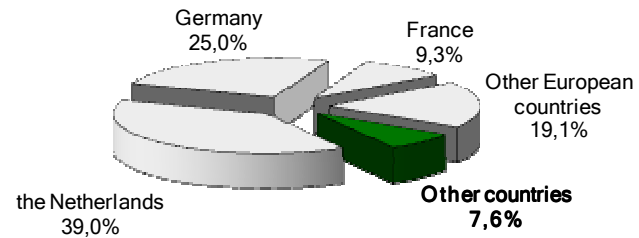
- Turnover in France dropped 7% to € 54 mln.
 - Turnover Lapierre bikes dropped in France
 - Turnover bicycles decreased, especially in second half of the year:
 - Early onset of winter
 - Effects price increases collection 2011
 - Decrease in turnover of bike projects due to relatively few projects
 - Increase in turnover bike parts and -accessories to dealers
 - Market for electric bikes still small

Other Europe



- Turnover other European countries increased 14% to € 110 mln.
 - Growth export activities of Ghost and Lapierre, a.o. in the UK, Austria and Spain
 - Increased turnover Tunturi-Hellberg (Scandinavia), despite very long winter
 - Increased turnover Belgium (a.o.Brasseur)

Other countries



- Turnover other countries increased 12% to € 44 mln.
 - Bicycles turnover increased at SBS (USA), turnover bicycle parts stable
 - Fitness turnover decreased in USA/Canada, growth in Asian countries
 - Sales activities for bikes have been initiated in several countries in Southeast Asia and Australia (Ghost, Lapierre, Koga)

Agenda

1. Accell Group in 2010

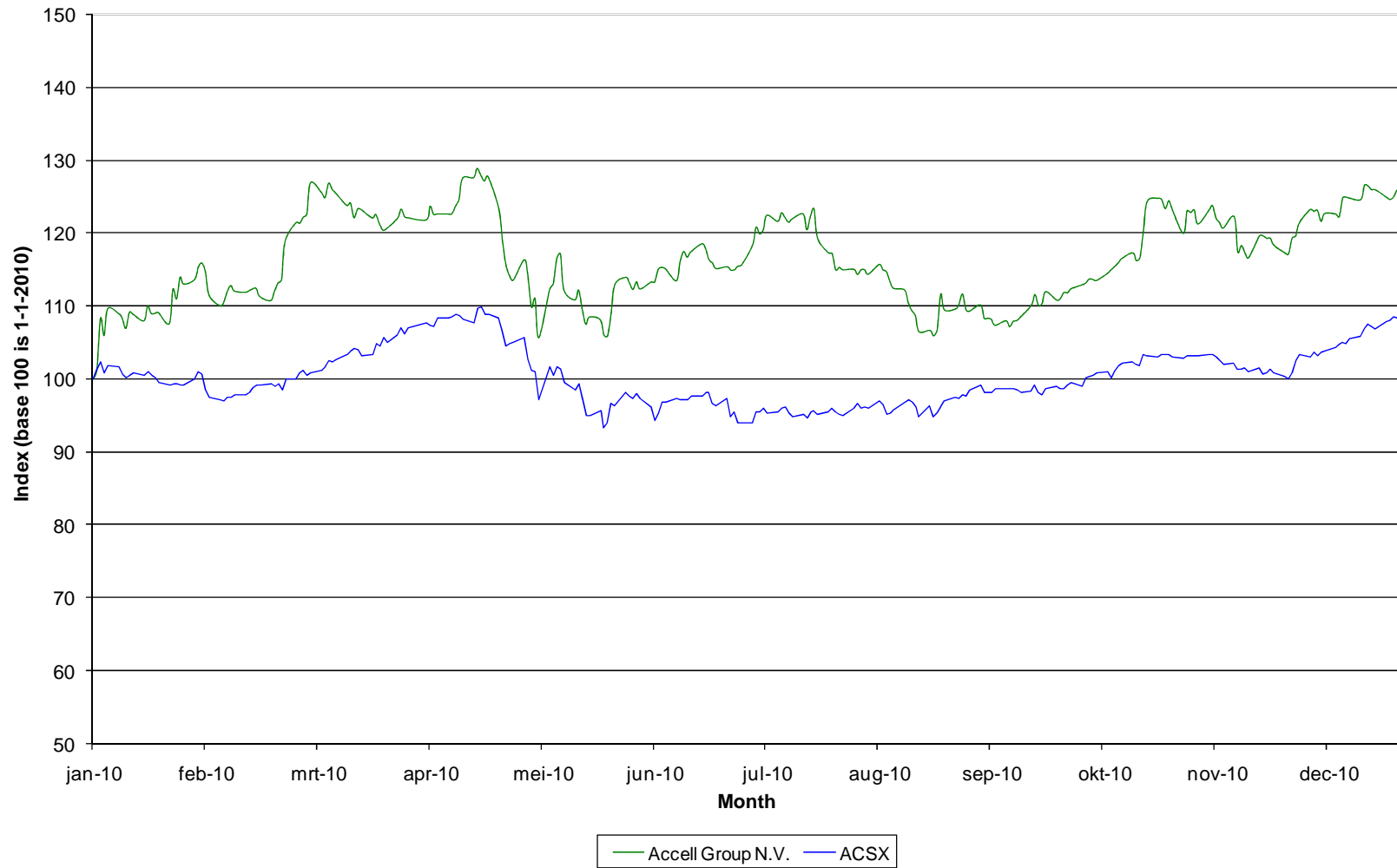
2. The Accell Group share

3. Financials

4. Outlooks

Share price development in 2010

Accell Group N.V.



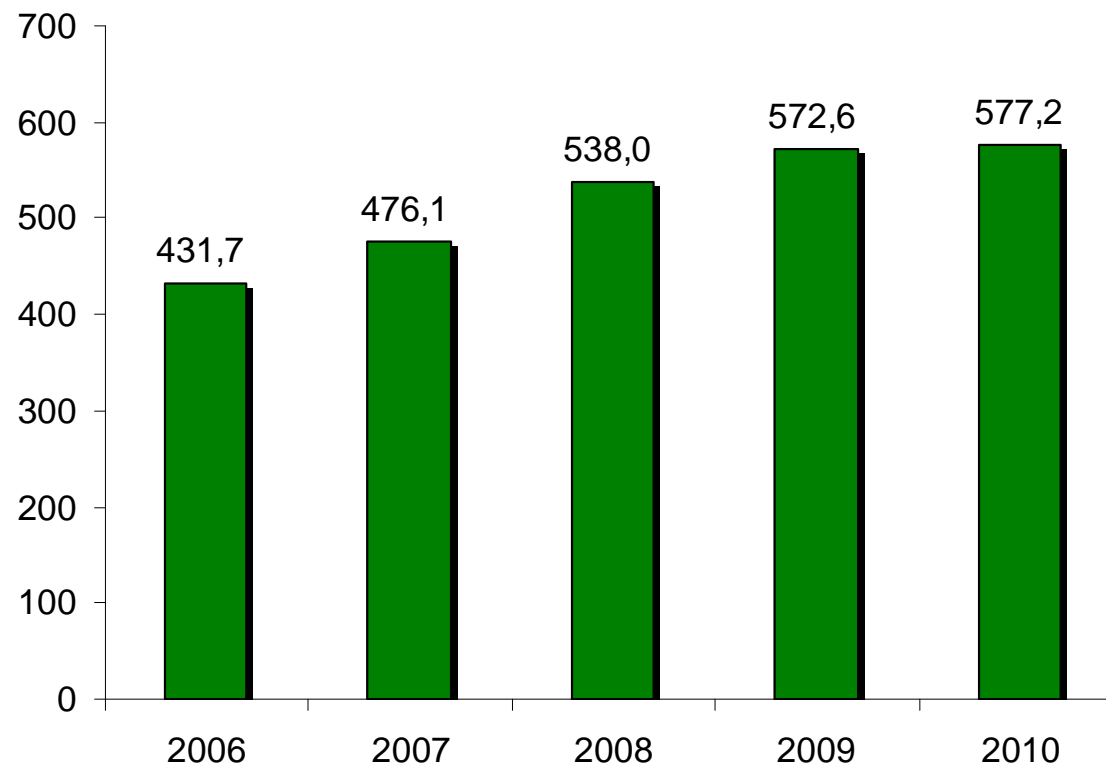
Agenda

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2. The Accell Group share
- 3. Financials**
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Profit & loss statement

| (x € mln.) | 2009 | 2010 | '09 ->'10 |
|--------------------------------|--------------|--------------|-----------|
| Net turnover | 572,6 | 577,2 | 1% |
| Material costs | (366,9) | (373,9) | 2% |
| Added value | <u>205,6</u> | <u>203,4</u> | (1%) |
| Operational costs | (155,8) | (157,0) | 1% |
| Operating profit (EBIT) | <u>49,9</u> | <u>46,4</u> | (7%) |
| Interest expenses | (5,3) | (4,2) | (22%) |
| Taxes | (11,8) | (5,8) | (51%) |
| Net profit | <u>32,7</u> | <u>36,4</u> | 11% |

Turnover development last 5 years



Cost of materials

| (x € mln.) | 2009 | <i>% turnover</i> | 2010 | <i>% turnover</i> |
|-------------|----------------|-------------------|----------------|-------------------|
| Turnover | 572,6 | 100% | 577,2 | 100% |
| Materials | <u>(366,9)</u> | 64,1% | <u>(373,9)</u> | 64,8% |
| Added value | <u>205,6</u> | 35,9% | <u>203,4</u> | 35,2% |

- Added value as % of turnover decreased slightly
- Increased costs partly charged on
 - Inbound transport costs and flight costs
 - Exchange rate increases during determination selling prices for the new season

Operating expenses

| (x € mln.) | 2009 | % turnover | 2010 | % turnover |
|-----------------------------|----------------|------------|----------------|------------|
| Staff costs | (73,5) | 12,8% | (76,6) | 13,3% |
| Depreciation & amortisation | (7,4) | 1,3% | (7,5) | 1,3% |
| Other operating costs | (74,8) | 13,1% | (72,9) | 12,6% |
| Total | <u>(155,8)</u> | 27,2% | <u>(157,0)</u> | 27,2% |

- Stabilisation of operating expenses as % of turnover:
 - Staff costs increased to 13.3% of turnover (2009: 12.8%); particularly due to acquisitions and organic growth
 - Other operating costs decreased to 12.6% of turnover (2009: 13.1%)

Segment overview

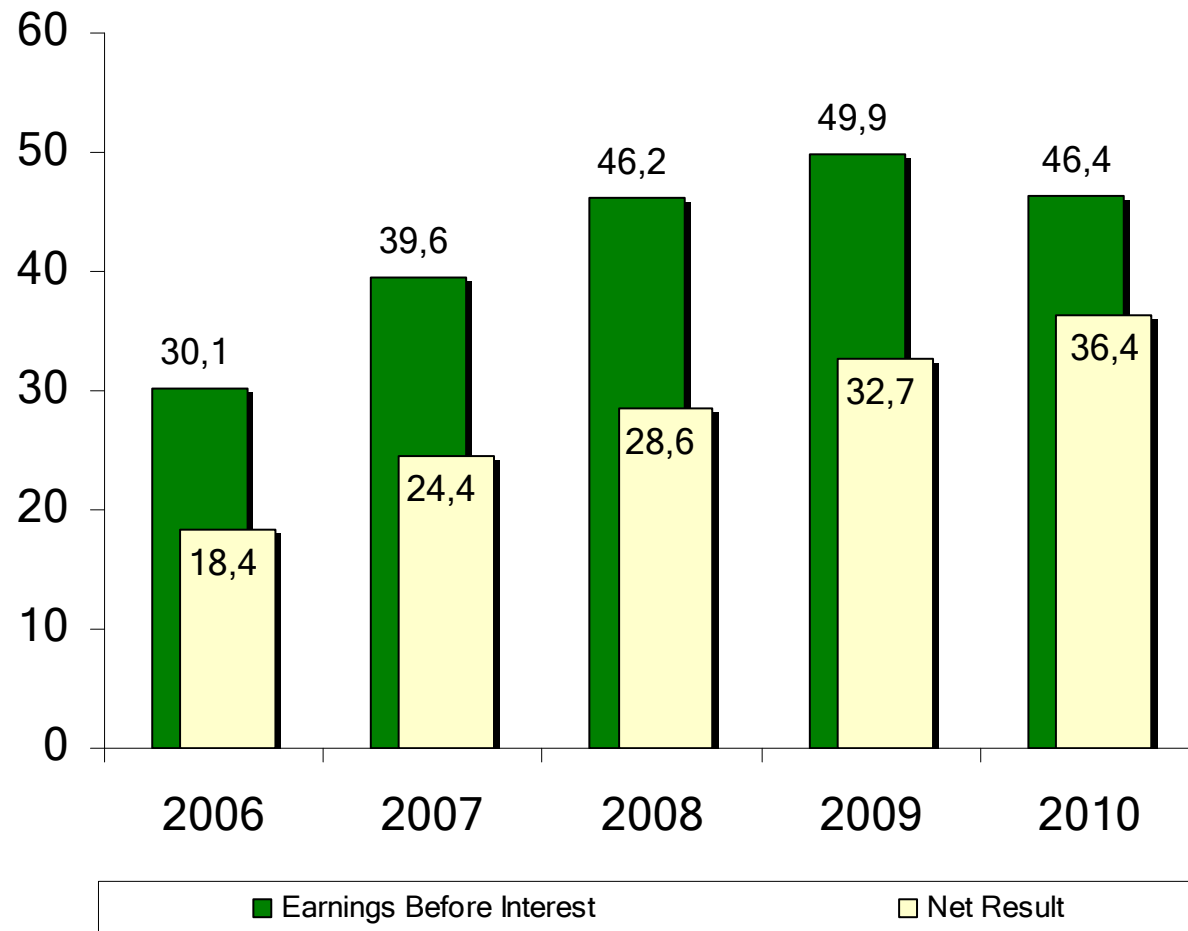
| (x € mln.) | 2009 | 2010 | '09 ->'10 |
|-----------------------------|--------------|--------------|-----------|
| Turnover per segment | | | |
| Bicycles and P&A | 543,0 | 548,7 | 1% |
| Fitness | 29,7 | 28,5 | (4%) |
| Elimination | (0,1) | (0,0) | |
| Total | <u>572,6</u> | <u>577,2</u> | 1% |
| Results per segment | | | |
| Bicycles and P&A | 61,6 | 55,5 | (10%) |
| Fitness | (2,5) | (0,4) | 84% |
| Total | <u>59,1</u> | <u>55,1</u> | (7%) |

Results per half year

| (x € mln.) | H1 2009 | H1 2010 | H2 2009 | H2 2010 |
|--------------------------------|--------------|--------------|--------------|--------------|
| Net turnover | 332,9 | 342,4 | 239,7 | 234,8 |
| Costs of materials | (210,3) | (218,6) | (156,6) | (155,3) |
| | <i>63,2%</i> | <i>63,8%</i> | <i>65,3%</i> | <i>66,1%</i> |
| Operating expenses | (88,3) | (88,4) | (67,5) | (68,6) |
| Operating profit (EBIT) | 34,3 | 35,4 | 15,6 | 11,0 |
| | <i>10,3%</i> | <i>10,3%</i> | <i>6,5%</i> | <i>4,7%</i> |
| Interest expenses | (3,5) | (2,5) | (1,8) | (1,7) |
| Taxes | (8,6) | (8,8) | (3,2) | 3,0 |
| Net profit | 22,1 | 24,1 | 10,6 | 12,3 |
| | <i>6,7%</i> | <i>7,0%</i> | <i>4,4%</i> | <i>5,2%</i> |

- Organic turnover development: H1 +1%, H2 -/- 4%
- Taxes impacted by effects of legal restructuring in Germany and the Dutch innovation box

Results development last 5 years



Balance sheet, assets

| (x € mln.) | 12-31-2009 | 12-31-2010 |
|------------------------------|-------------------|-------------------|
| <i>Fixed assets</i> | | |
| Intangible fixed assets | 42,4 | 42,2 |
| Tangible fixed assets | 61,2 | 59,6 |
| Financial fixed assets | 10,1 | 9,5 |
| | <hr/> 113,7 | <hr/> 111,4 |
| <i>Current assets</i> | | |
| Inventories | 137,8 | 178,9 |
| Receivables | 84,9 | 92,3 |
| Liquid assets | 0,8 | 1,3 |
| | <hr/> 223,6 | <hr/> 272,6 |
| Total assets | <hr/> <hr/> 337,3 | <hr/> <hr/> 383,9 |

Working capital

| (x € mln.) | 12-31-2009 | 12-31-2010 | '09 ->'10 |
|----------------|--------------|--------------|-----------|
| Inventories | 137,8 | 178,9 | 30% |
| Receivables | 74,7 | 76,4 | 2% |
| Trade payables | (43,6) | (55,5) | 27% |
| Total | <u>168,9</u> | <u>199,8</u> | 18% |

- Effect acquisition Batavus distributor (Bäumker) € 2.8 mln.
- Working capital increases to 34.6% of turnover (2009: 29.5%)
 - Increase in inventories (clarification on next slide)
 - Increase in receivables in line with turnover growth
 - Inventories partly financed by increase of trade payables

Inventories

| (x € mln.) | 12-31-2009 | 12-31-2010 |
|----------------------|--------------|--------------|
| Components | 49,2 | 57,2 |
| Work in progress | 3,2 | 4,1 |
| Finished product | 68,1 | 92,6 |
| Floating inventories | 17,3 | 25,1 |
| | 137,8 | 178,9 |

- Inventories increased due to:
 - Price increases products
 - Lower than expected sales in fourth quarter
 - Shift in planning (a.o. due to early Chinese New Year)
 - Acquisition Bäumker (€ 2.2 mln.)
- Marketable inventories to decrease quickly in the season

Balance sheet, liabilities

| (x € mln.) | 12-31-2009 | 12-31-2010 |
|--------------------------|---------------------|---------------------|
| Group equity | 151,8 | 180,4 |
| Provisions | 33,1 | 23,3 |
| Long-term debt | 59,8 | 51,7 |
| Bank credit | 25,8 | 50,1 |
| Short-term debt | 66,8 | 78,4 |
| Total liabilities | <u>337,3</u> | <u>383,9</u> |

- Provisions decreased due to settlement of acquisition obligations and movement (deferred) tax obligations
- Increased bank credit due to higher working capital

Group equity

(x € mln.)

| | |
|-----------------------------|--------------|
| Balance on 1 January 2010 | 151,8 |
| Net profit | 36,4 |
| Dividend 2009 | (7,6) |
| Other movements | (0,2) |
| Increase in 2010 | <u>28,6</u> |
| Balance on 31 December 2010 | <u>180,4</u> |

- Dividend: 53% cash / 47% stock
- Other movements due to a.o. financial instruments

Cash flow from operating activities

| (x € mln.) | 2009 | 2010 |
|--|---------------|---------------|
| Cash flow from operating activities | | |
| Operating profit | 49,9 | 46,4 |
| Depreciations and amortisation | 7,4 | 7,5 |
| Share-based payments | 0,2 | 0,4 |
| Cash flow from operations before working capital and provisions | <u>57,5</u> | <u>54,3</u> |
| Movement in working capital and provisions | (1,3) | (37,3) |
| Paid interest and corporate tax | <u>(17,0)</u> | <u>(13,7)</u> |
| Net cash flow from operations | <u>39,2</u> | <u>3,3</u> |

Cash flow from investment- and financing activities

| (x € mln.) | 2009 | 2010 |
|---|---------------|--------------|
| Cash flow from investment activities | | |
| Received interest | 0,2 | 0,3 |
| Movement in fixed assets | (7,5) | (4,6) |
| Acquisitions subsidiary companies | (4,8) | (0,1) |
| Net cash flow from investment activities | <u>(12,1)</u> | <u>(4,4)</u> |
| Free cash flow | 27,1 | (1,1) |
| Cash flow from financing activities | | |
| Movements in bank loans and bank credit | (17,5) | 8,4 |
| Dividends | (8,7) | (7,6) |
| Share- and option-based payments | (0,5) | 1,0 |
| Net cash flow from financing activities | <u>(26,7)</u> | <u>1,8</u> |
| Net cash flow | 0,4 | 0,7 |

Ratios

| | 2009 | 2010 |
|-------------------------------------|--------|--------|
| EPS | € 3,30 | € 3,57 |
| ROCE | 19,2% | 15,3% |
| Operating result / turnover | 8,7% | 8,0% |
| Net debt / EBITDA | 1,5 | 1,9 |
| Solvency | 45,0% | 47,0% |
| Interest coverage | 9,1 | 11,0 |
| Average number of employees (fte's) | 1.787 | 1.877 |

Dividend proposal

| | 2009 | 2010 |
|----------------------|---------|---------|
| EPS | € 3,30 | € 3,57 |
| Dividend proposal | € 1,58 | € 1,71 |
| Pay-out ratio | 48% | 48% |
| Share price year-end | € 29,17 | € 37,80 |
| Dividend yield | 5,4% | 4,5% |

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Trends and expectations

- Social and demographic trends do not change
 - Mobility
 - Environment
 - Ageing
 - Health
 - Sustainability
 - Governments stimulation health/exercise and bike use as an alternative means of transportation
- So...



Trends and expectations

- Increase in bike use
 - More exercise, healthier lifestyle
 - As an alternative for the car or public transport
 - Health and relaxation
 - Active recreation and sports



Strategy Accell Group

- Creating innovative, high-quality and recognisable products
- With its strong brands, Accell Group will continue to anticipate the ongoing demand for high added value products with distinctive character in innovation and contemporary design
- Positioning, promoting and expanding the brand portfolio, targeted marketing with respect to points of sale and consumers and intensive cooperation with and support specialist trade
- Continued cost control, inventory management, portfolio management, and further exploitation of synergies
- Active search for potential acquisitions

Outlook 2011

- Based on the current outlook, Accell Group expects a further increase in turnover and result in 2011, barring unforeseen circumstances



2010

