

Presentation annual results 2009

Okura Hotel, Amsterdam
26 February 2010

René J. Takens, CEO
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Agenda

1. Accell Group in 2009
2. The Accell Group share
3. Financials
4. Outlook



Further growth in turnover and profit

- Turnover increased 6% to €572.6 mln.
 - 5% organic growth
 - 1% acquisition growth
- Operating result (EBIT) +8% €49.9 mln.
- Net profit +15% to €32.7 mln.
- Earnings per share +12% to €3.30



Bicycles / bicycle parts & accessories

- Turnover growth of +9%, with 7% organic growth, to €543.0 mln.
- Number of bicycles sold in 2009: 986,000 (2008: 974,000)
 - Increased sales of electric bicycles and mountain bikes
 - Sales growth in Germany and France
- Average price of bicycles rose to €439 (2008: €415)
- Increased turnover bicycle parts & accessories in most important home markets
- Acquisition of Hellberg as of 30 June 2009



Fitness

- Turnover in 2009 decreased to €29.7 mln. (2008: €39.9 mln.), representing roughly 5% of total group turnover
- Decreased turnover and results mainly caused by:
 - Decline in virtually all markets
 - Delay or ending of supply to distributors
- Cost savings realised particularly in staffing
- Positive cash flow due to strong reduction in working capital

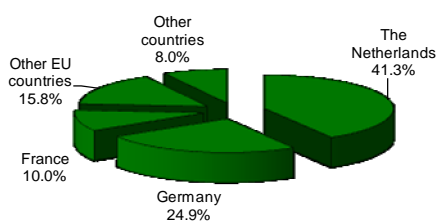


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Geographical distribution of turnover



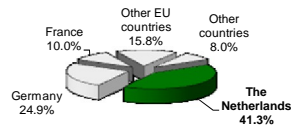
(x € mln.)	Turnover		
	2008	2009	'08 -> '09
The Netherlands	235.4	236.7	1%
Germany	124.6	142.2	14%
France	52.2	57.5	10%
Other EU countries	78.7	90.6	15%
Other countries	47.1	45.5	(3%)
	<u>538.0</u>	<u>572.6</u>	6%

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The Netherlands



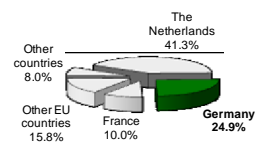
- Turnover in the Netherlands increases by 1% to €236.7 mln.
 - Strong sales of electric bicycles and bicycles for special target groups
 - Decreased sales of traditional bicycles
 - Extension of electric bicycles collections
 - Turnover growth in parts & accessories
 - Centre of gravity of electric bicycle deliveries in 2nd quarter
 - Decreased turnover in fitness

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Germany



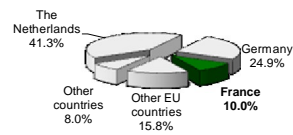
- Turnover in Germany increases by 14% to €142.2 mln.
 - Increased turnover of electric bicycles and more expensive mountain bikes
 - Increased turnover in parts & accessories in Germany, primarily with own brand XLC
 - "Green thinking" increasingly important
 - High willingness among consumers to invest in quality

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France

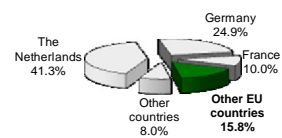


- Turnover in France increased by 10% to €57.5 mln.

- Lapierre again had a good year
- Increased sales in racing and mountain bike segment
- Introduction of city and electric segment
- Increased sales of parts & accessories (predominantly XLC)



Other EU Countries

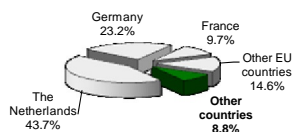


- Turnover increase in the rest of the EU of 15% to €90.6 mln.

- Increased turnover in Belgium, Austria and Spain
- Increased turnover in Scandinavia due to Hellberg acquisition
- Hellberg acquisition has a positive effect on the cost structure and expected turnover
- Several new fitness customers



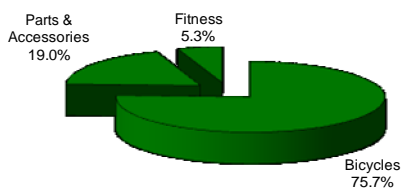
Other countries



- Turnover in the rest of the world decreased 3% to €45.6 mln.
 - Increased sales in Switzerland
 - Decreased turnover SBS bicycles (USA), parts & accessories at similar level
 - Decrease of turnover in fitness mainly in the USA



Turnover segmentation per product group



(x € mln.)	Turnover		
	2008	2009	'08 -> '09
Bicycles	404.2	433.5	7%
Parts	93.9	109.0	16%
Fitness	39.9	30.1	(25%)
	<u>538.0</u>	<u>572.6</u>	6%

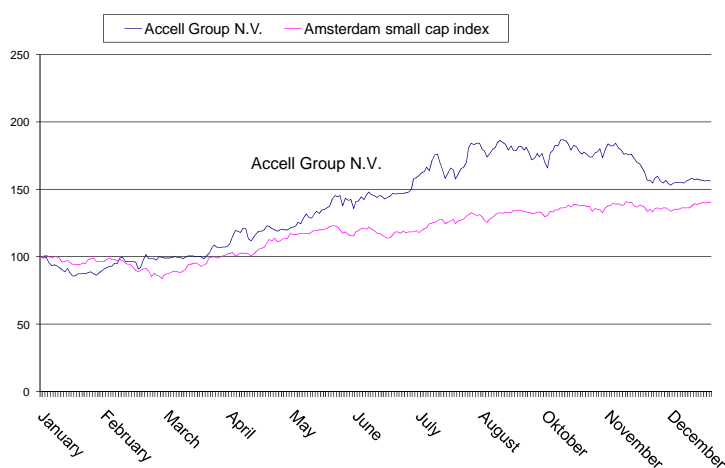


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Share price development in 2009



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Profit & loss statement

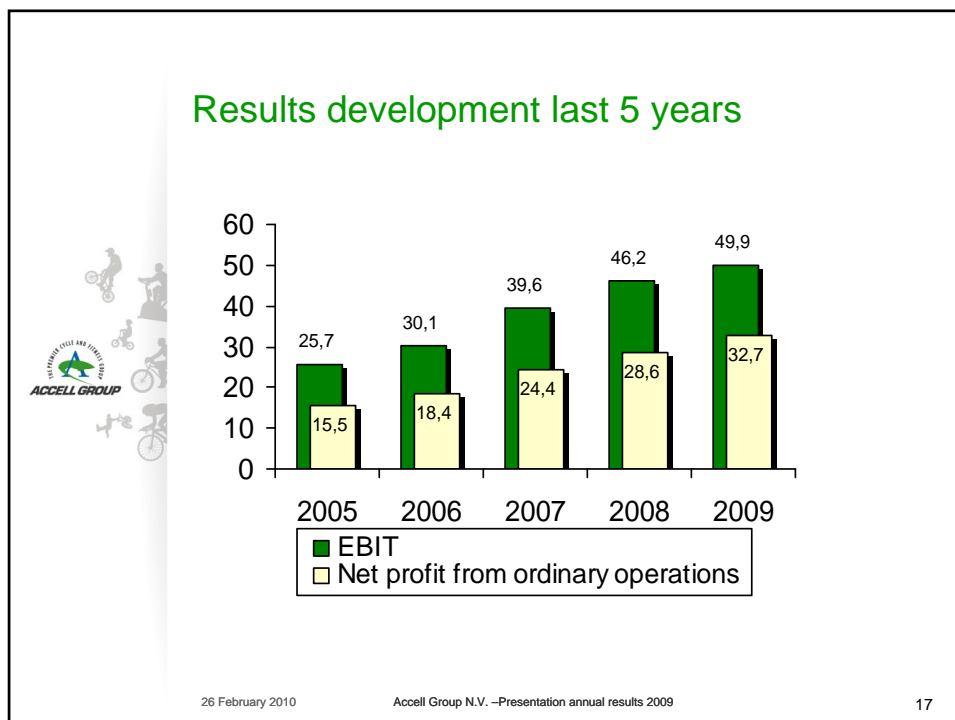
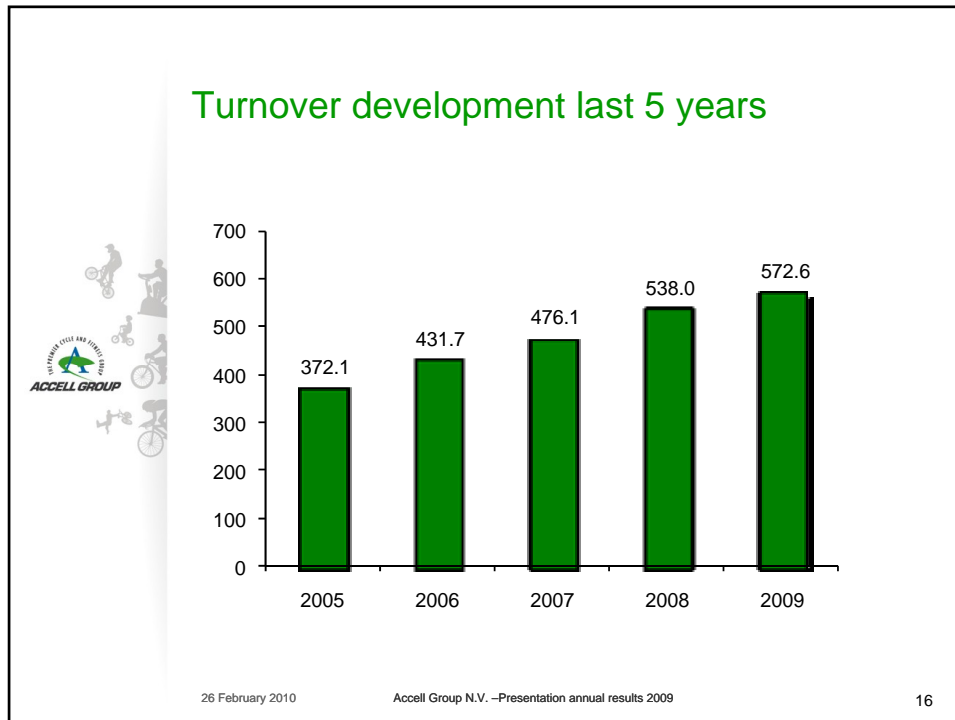
(x € mln.)	2008	2009	'08 -> '09
Net turnover	538.0	572.6	6%
Material costs	(339.0)	(366.9)	8%
Other expenses	(152.9)	(155.8)	2%
Operating profit (EBIT)	46.2	49.9	8%
Result of participations	0.2	0.2	8%
Interest expenses	(6.0)	(5.5)	(8%)
Taxes	(11.8)	(11.8)	0%
Net profit	28.6	32.7	15%



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Cost of materials

(x € mln.)	2008	% turnover	2009	% turnover
Turnover	538,0	100%	572,6	100%
Materials	<u>(339,0)</u>	63%	<u>(366,9)</u>	64%
Added value	<u>199,0</u>	37%	<u>205,6</u>	36%

Movement in added value due to:

- Changed product mix
- More outsourcing
- Higher discounts at the end of the season
- But also lower inbound transportation costs

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Operating expenses

(x € mln.)	2008	% turnover	2009	% turnover
Staff costs	(71.5)	13.3%	(73.5)	12.8%
Depreciation & amortisation ¹⁾	(9.2)	1.7%	(7.4)	1.3%
Other operating costs	(72.1)	13.4%	(74.8)	13.1%
Total	<u>(152.9)</u>	28.4%	<u>(155.8)</u>	27.2%

Further decrease in operating expenses:

- Staff costs from 13.3% to 12.8% of turnover; number of employees remained stable while turnover increased
- Other operating costs from 13.4% to 13.1% of turnover
- Increased promotional expenses for extra stimulation of sales and sports sponsoring

¹⁾ Including extraordinary goodwill impairment of €2.3 mln. in 2008

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Segment overview

(x € mln.)	2008	2009	'08 -> '09
Turnover per segment			
Bicycles and P&A	498.6	543.0	9%
Fitness	39.9	29.7	(25%)
Elimination	(0.4)	(0.1)	
Total	538.0	572.6	
Result per segment			
Bicycles and P&A	58.6	61.6	
Fitness ¹⁾	(0.7)	(2.5)	
Total	58.0	59.1	

¹⁾ In 2008 excluding extraordinary goodwill impairment of €2.3 mln. and €1.0 mln. restructuring charges

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Results per half year

(x € mln.)	H1 2008	H1 2009	H2 2008	H2 2009
Net turnover	305.9	332.9	232.2	239.7
Costs of materials	(190.7)	(210.3)	(148.3)	(156.6)
	62.3%	63.2%	63.9%	65.3%
Depreciation and amortisation ¹⁾	(3.7)	(3.9)	(5.5)	(3.5)
Other costs	(81.0)	(84.3)	(62.6)	(64.0)
Operating profit (EBIT)	30.4	34.3	15.7	15.6
	9.9%	10.3%	6.8%	6.5%
Participations/interest expenses/taxes	(11.1)	(12.1)	(6.5)	(5.0)
Net profit	19.3	22.1	9.3	10.6
	6.3%	6.7%	4.0%	4.4%

- Organic turnover growth 2009 in H1: 7% and in H2: 3%
- Centre of gravity E-bikes deliveries 2nd quarter

¹⁾ Including extraordinary goodwill impairment of €2.3 mln. in 2008

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Balance sheet, assets

(x € mln.)	12/31/2008	12/31/2009
Fixed assets		
Intangible fixed assets	39.6	42.4
Tangible fixed assets	61.3	61.2
Financial fixed assets	9.3	10.1
	<u>110.2</u>	<u>113.7</u>
Current assets		
Inventories	136.1	137.8
Receivables	88.5	84.9
Liquid assets	0.6	0.8
	<u>225.2</u>	<u>223.6</u>
Total assets	<u>335.4</u>	<u>337.3</u>

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Working capital

(x € mln.)	12/31/2008	12/31/2009	'08 -> '09
Inventories	136.1	137.8	1%
Receivables	74.3	74.7	1%
Trade payables	(52.2)	(43.6)	(16%)
Total	<u>158.2</u>	<u>168.9</u>	7%

- Effect acquisition Hellberg €2.6 mln.
- Working capital in % of turnover was 29.5% (2008: 29.4%) due to:
 - Inventories: organic drop of 3% compared to organic turnover growth of 5%
 - Receivables: limited growth compared to 2008
 - Trade payables: strong decrease trade payables due to lower ordering volumes compared to 2008

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Balance sheet, liabilities

(x € mln.)	31/12/2008	31/12/2009
Group equity	132.1	151.8
Provisions	31.3	33.1
Long-term debt	65.7	59.8
Bank credit	33.9	25.8
Short-term debt	72.4	66.8
Total liabilities	<u>335.4</u>	<u>337.3</u>

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Group equity

(x € mln.)	
Balance on 1 January 2009	132.1
Net profit	32.7
Dividend 2008	(8.7)
Other movements	<u>(4.4)</u>
Increase in 2009	19.6
Balance on 31 December 2009	<u>151.8</u>

- Solvency at 45.0% (2008: 39.4%)
- Group equity per weighted average share was € 15.29 (2008: € 13.66)
- Other movements mainly concern value changes in financial instruments (currency hedges and interest swaps)

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Cash flow from operating activities

(x € mln.)	2008	2009
Cash flow from operating activities		
Net profit	28,6	32,7
Adjustment cash flow for paid interest and taxes	0,2	0,6
Depreciation and amortisation	9,2	7,4
Share-based payments	0,2	0,2
Movements in provisions	0,6	1,9
Operating cash flow before working capital	<u>38,8</u>	<u>42,8</u>
Movements in working capital	3,6	(3,5)
Net cash flow from operating activities	<u>42,4</u>	<u>39,3</u>

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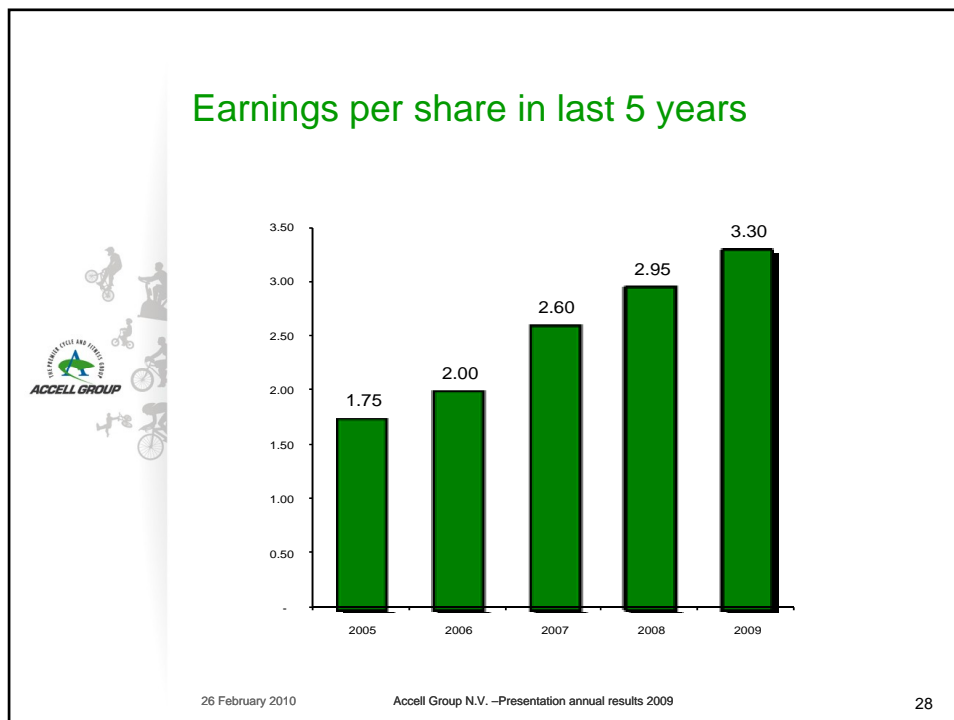
Cash flow from investment and financing activities

(x € mln.)	2008	2009
Cash flow from investment activities		
Movements in fixed assets	(10,1)	(7,3)
Acquisition of subsidiary companies	(20,2)	(4,8)
Net cash flow from investment activities	<u>(30,2)</u>	<u>(12,2)</u>
Free cash flow	12,2	27,1
Cash flow from financing activities		
Movements in bank loans and bank credit	(7,5)	(17,5)
Dividends	(4,6)	(8,7)
Other movements	0,0	(0,5)
Net cash flow from financing activities	<u>(12,1)</u>	<u>(26,7)</u>
Net cash flow	0,1	0,4

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Ratios

ROCE	17.8%	19.2%
Operating result / turnover	8.6%	8.7%
Net debt / EBITDA	1.8	1.5
Solvency	39.4%	45.0%
Interest coverage	8.1	9.1
Average number of employees (fte's)	1.778	1.787

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Dividend proposal 2009



	2008	2009
Earnings per share (€)	2.95	3.30
Dividend proposal (€)	1.42	1.58
Pay-out ratio	48%	48%
Share price year-end (€)	18.00	29.17
Dividend yield	7.9%	5.4%

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Strategy Accell Group

- Creating innovative, high-quality and recognisable products
- Positioning, promoting and expanding the brand portfolio, targeted marketing and intensive cooperation with and support for the specialist trade
- Expansion of activities in electric and sports bicycles
- Continuous cost control, inventory management, portfolio management, and further exploitation of synergies
- Active search for possible acquisitions



Trends and expectation

- Social and demographic trends do not change
 - Mobility
 - Environment
 - Ageing
 - Health
 - Sustainability
- Increase in bicycle use
 - More exercise, healthier lifestyle
 - As a replacement for the car or public transport
 - Health and relaxation
 - Active recreation and sports



Outlook 2010

- Economic developments are hard to predict
- Sustainable trends stimulate bicycle sales
- Consumer is willing to spend money on innovative, high-quality and recognisable products
- Electric bicycles allow more people to ride a bike and to use the bicycle for commuter traffic
- Increased interest in more expensive mountain bikes, sports bicycles, racing bicycles and bicycles for special target groups
- On that basis, Accell Group expects a further increase in turnover and result in 2010, barring unforeseen circumstances



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