

Presentation half-year results 2011

Hilton Hotel, Amsterdam
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Agenda

1. Accell Group in H1 2011

2. Accell Group share

3. Financials

4. Outlook

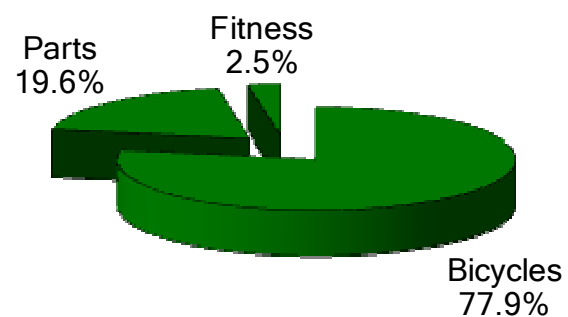
Key developments in H1 2011

- Net profit +13% to € 27.3 mln
- Turnover increased 9% compared to € 373 mln in H1 2010
 - Increased turnover due to both organic growth and acquisitions
 - Bicycle season off to a good start due to early arrival of summer temperatures in several countries
 - Turnover from innovative sports bikes and electrical bikes contributed to growth; decrease traditional bicycles
 - Increased turnover bicycle parts & accessories
 - Decreased turnover fitness

Summary H1 2011 results

(x € mln.)	30/06/2010	31/12/2010	30/06/2011
Turnover	342.4	577.2	373.0
Net profit	24.1	36.4	27.3
Earnings per share	1.19	1.79	1.32
Solvency	45.4%	47.0%	44.4%
Balance sheet total	373.3	383.9	440.7
Share price	17.25	18.90	19.85

Turnover breakdown per product group



(x € mln.)	Turnover		<i>change</i>
	H1 2010	H1 2011	
Bicycles	264	290	10%
Parts	64	73	14%
Fitness	14	10	(33%)
	<u>342</u>	<u>373</u>	9%

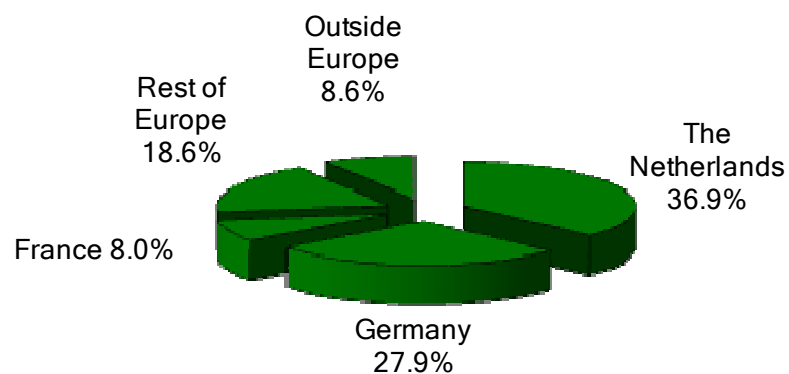
Bicycles / bicycle parts & accessories

- Turnover increased 11% to € 363 mln
 - Organic growth bicycles 3% and bike parts 14%
- Number of bicycles sold increased to 709,000 (+22%)
- Average selling price decreased to € 410 (-/-10%);
organic price development + 11%
- Growth of electric bikes and innovative sports bikes;
decrease in turnover for traditional bicycles
- Segment result increased by 9% to € 45.0 mln

Fitness

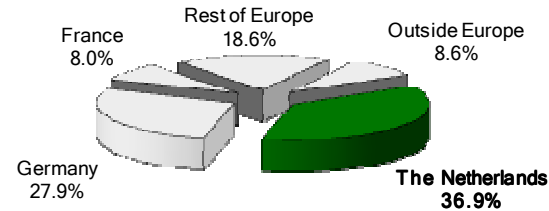
- Decrease in turnover 29% to €10 mln
- Drop in turnover due to changes in distribution in Germany and United Kingdom
- Lower turnover levels in North America due to phase out activities
- Segment result decreased to € -/- 1.8 mln

Geographical breakdown of turnover



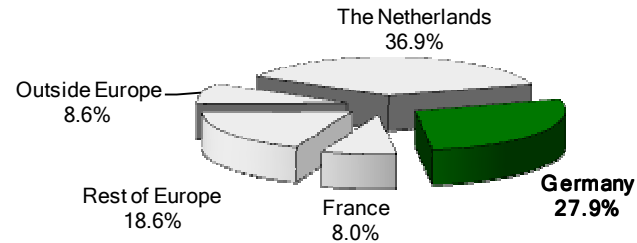
(x € mln.)	Turnover		<i>change</i>
	H1 2010	H1 2011	
The Netherlands	141	138	<i>(2%)</i>
Germany	89	104	<i>17%</i>
France	28	30	<i>8%</i>
Rest of Europe	63	69	<i>10%</i>
Outside Europe	22	32	<i>47%</i>
	342	373	<i>9%</i>

The Netherlands



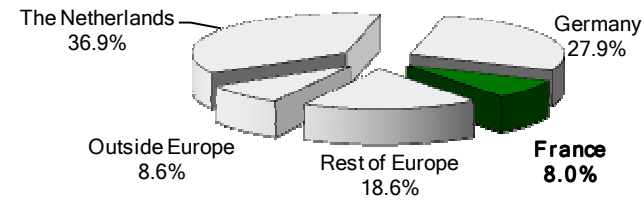
- Turnover in the Netherlands -/- 2% to € 138 mln.
 - Bicycle turnover decreased slightly
 - Decreased demand for traditional bicycles
 - Turnover electrical bikes increased due to further innovation and broader product range
 - Growth of bicycle parts & accessories
 - Decreased turnover fitness

Germany



- Turnover in Germany +17% to 104 mln.
 - Increased sales of electrical bikes (over 50%) due to favorable market developments
 - Increased turnover in innovative sports bikes from Ghost, Hai Bike and Winora
 - Increased turnover in bicycle parts and accessories
 - Decreased turnover fitness due to changes in distribution

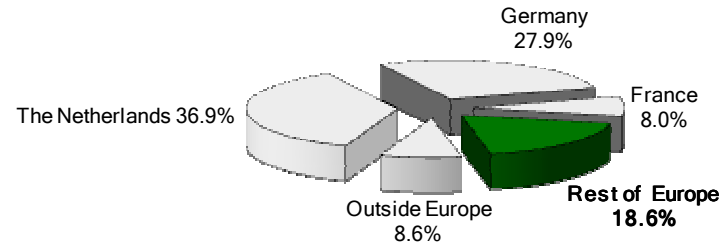
France



- Turnover in France +8% to 30 mln.
 - Bicycle turnover decreased slightly due to increased competition and decreasing market
 - Increased turnover in bicycle parts & accessories



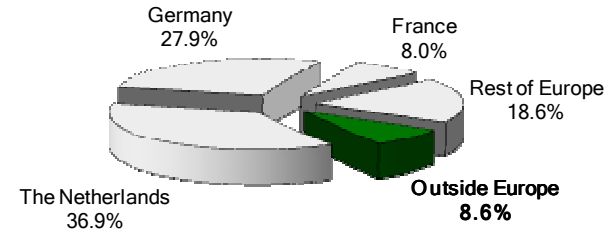
Rest of Europe



- Turnover other European countries +10% to € 69 mln.
 - Increased turnover due to addition Accell Bisiklet, particularly in Finland and Italy
 - Turnover in Belgium and Austria increased, turnover in Spain and United Kingdom decreased
 - Lower turnover fitness, mainly due to changed distribution in United Kingdom



Outside Europe



- Turnover outside Europe +47% to 32 mln.
 - Increased turnover in Turkey due to addition Accell Bisiklet
 - Decreased turnover in North America:
 - Negative impact currency conversion
 - Lower turnover levels fitness
 - Increased sales (still limited) in Southeast Asia

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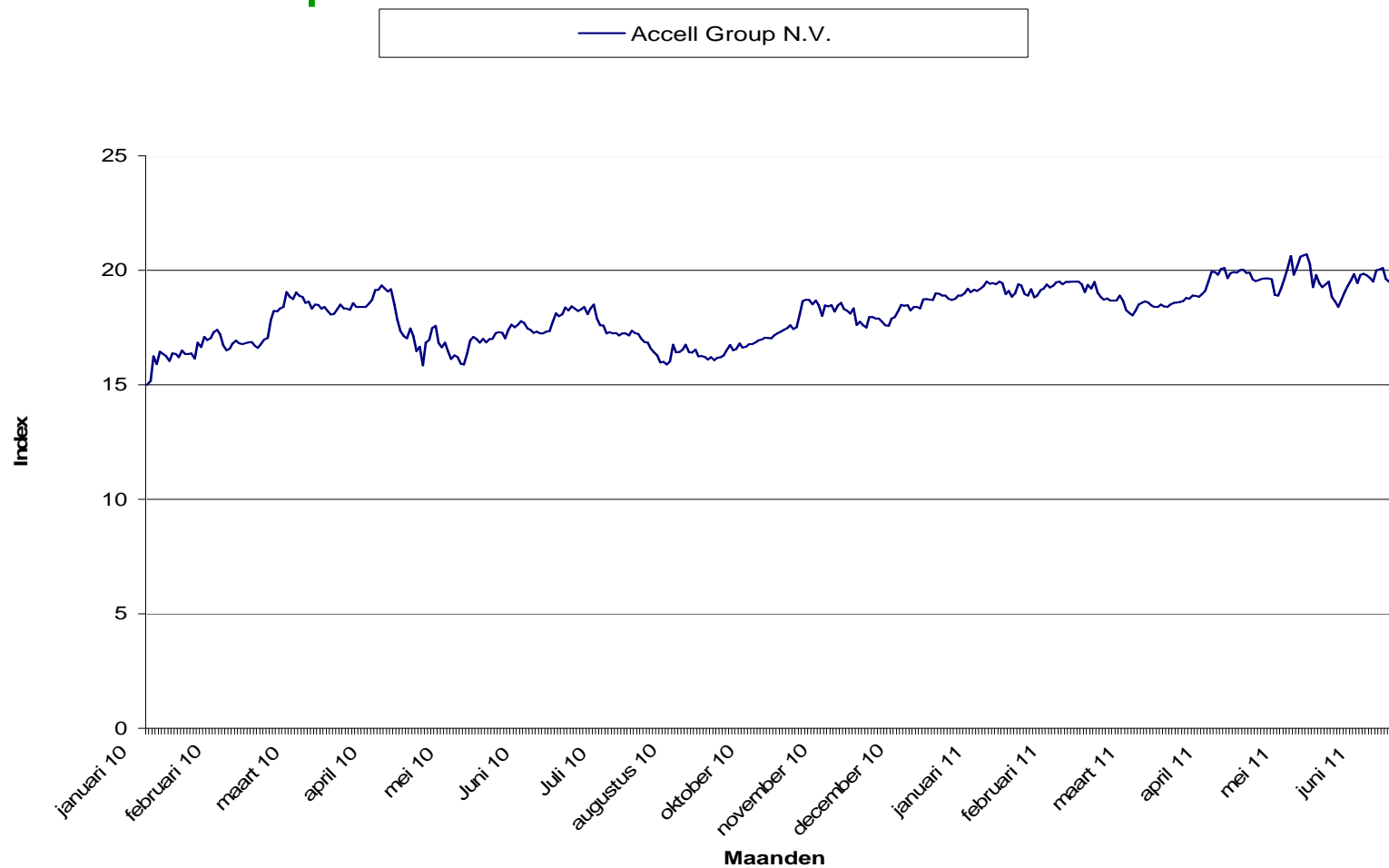
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Share price



Effectuation of the stock split per 01-06-2011 is processed in the comparative periods.

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Profit & loss statement

(x € mln.)	H1 2010	H1 2010	H1 2011	
Net turnover	342.4	577.2	373.0	9%
Cost of materials	(218.6)	(373.9)	(243.0)	11%
Other costs	(88.4)	(157.0)	(93.5)	6%
Operating profit (EBIT)	<u>35.4</u>	<u>46.4</u>	<u>36.5</u>	3%
Result of participations	-	0.1	0.3	
Interest	(2.5)	(4.2)	(2.9)	15%
Taxes	(8.8)	(5.8)	(6.7)	(24%)
Net profit	<u>24.1</u>	<u>36.4</u>	<u>27.3</u>	13%

Results development

- Turnover up 9% in the first half year, of which over 3% organic
- Added value at 34.9% of turnover (H1 2010: 36.2%)
- Further decrease of operating costs as a percentage of turnover to 25.1% (H1 2010: 25.8%)
- Operating result increased to € 36.5 mln (H1 2010: 35.4 mln); operating margin came in at 9.8% (H1 2010: 10.3%)
- Interest costs higher due to additional use of credit facilities
- Average tax burden decreased to 19.6% (H1 2010: 26.7%) due to use of tax facilities

Cost of materials

(x € mln.)	H1 2010	2010	H1 2011	Δ H1
Net turnover	342.4	577.2	373.0	9%
Cost of materials	(218.6)	(373.9)	(243.0)	11%
Added value	<u>123.8</u>	<u>203.4</u>	<u>130.0</u>	5%
	36.2%	35.2%	34.9%	

- Decrease of relative added value due to:
 - Seasonal pricing
 - Sales mix
 - Lower logistics costs
 - Higher seasonal discounts
 - More outsourcing

Operating expenses

(x € mln.)	H1 2010	%	2010	%	H1 2011	%
Staff costs	(43.1)	13%	(76.6)	13%	(44.6)	12%
Depreciations	(3.8)	1%	(7.5)	1%	(3.9)	1%
Other operating costs	(41.6)	12%	(72.9)	13%	(45.0)	12%
Other costs	<u>(88.4)</u>	26%	<u>(157.0)</u>	27%	<u>(93.5)</u>	25%

- Further decrease in operating costs:
 - Staff costs 12.0% of turnover (H1 2010 12.6%)
 - Other operating costs 12.1% of turnover (H1 2010 12.2%)

Balance sheet, assets

(x € mln.)	30/06/2010	31/12/2010	30/06/2011
<i>Fixed assets</i>			
Intangible fixed assets	60.0	59.6	61.9
Tangible fixed assets	43.2	42.2	48.6
Financial fixed assets	8.5	9.5	18.9
	<u>111.8</u>	<u>111.4</u>	<u>129.4</u>
<i>Current assets</i>			
Inventories	144.2	178.9	182.3
Receivables	115.8	92.3	127.9
Liquid assets	1.5	1.3	1.1
	<u>261.5</u>	<u>272.6</u>	<u>311.3</u>
Total assets	<u><u>373.3</u></u>	<u><u>383.9</u></u>	<u><u>440.7</u></u>

Working capital

(x € mln.)	30/06/2010	31/12/2010	30/06/2011	Δ H1
Inventories	144.2	178.9	182.3	26%
Accounts receivable	103.4	76.4	113.2	9%
Accounts payable	(49.4)	(55.5)	(38.9)	(21%)
Total	<u>198.2</u>	<u>199.8</u>	<u>256.6</u>	29%

- Impact acquisitions on working capital around € 22 mln
- Next to impact acquisitions (around € 9 mln), inventories were impacted by increased average price and rise in number of bicycles
- Accounts payable decreased due to seasonal lower production level
- Accounts receivable in line with turnover

Balance sheet, liabilities

(x € mln.)	30/06/2010	31/12/2010	30/06/2011
Group equity	169.4	180.4	195.6
Provisions	34.5	23.3	25.0
Long-term loans	58.3	58.5	33.9
Bank credit	26.3	43.3	110.3
Short-term debts	84.8	78.4	76.0
Total liabilities	<u>373.3</u>	<u>383.9</u>	<u>440.7</u>

- Total bank debt around € 38 mln, impacted by acquisitions
- Short-term debts lower due to accounts payable

Group equity

(x € mln.)

Balance per 1 January 2011	180.4
Net profit	27.3
Dividend payout 2010	(9.9)
Other movements	<u>(2.2)</u>
Increase in 2011	15.2
Balance per 30 June 2011	<u>195.6</u>

- Other movements in particular due to financial instruments and effects from currency conversion
- Group equity per share € 9.43 as per 30-06-2011

Cash flow

(x € mln.)	H1 2010	H1 2011
Cash flow from operations		
Net profit	24.1	27.3
Depreciations	3.8	3.9
Share-based payments	0.2	0.4
Operational cash flow before working capital and provisions	28.1	31.6
Movements in working capital and provisions	(12.1)	(16.9)
Net cash flow from operating activities	16.0	14.7
 Cash flow from investment activities		
Movements in fixed assets	(1.5)	(9.0)
Acquisition of subsidiary companies	(0.1)	(14.5)
Net cash flow from investment activities	(1.6)	(23.5)
 Free cash flow	14.4	(8.8)
 Cash flow from financing activities		
Movements bank loans and bank credit	(6.6)	19.0
Share- and option-based payments	0.4	-
Dividends	(7.6)	(9.9)
Net cash flow from financing activities	(13.8)	9.1

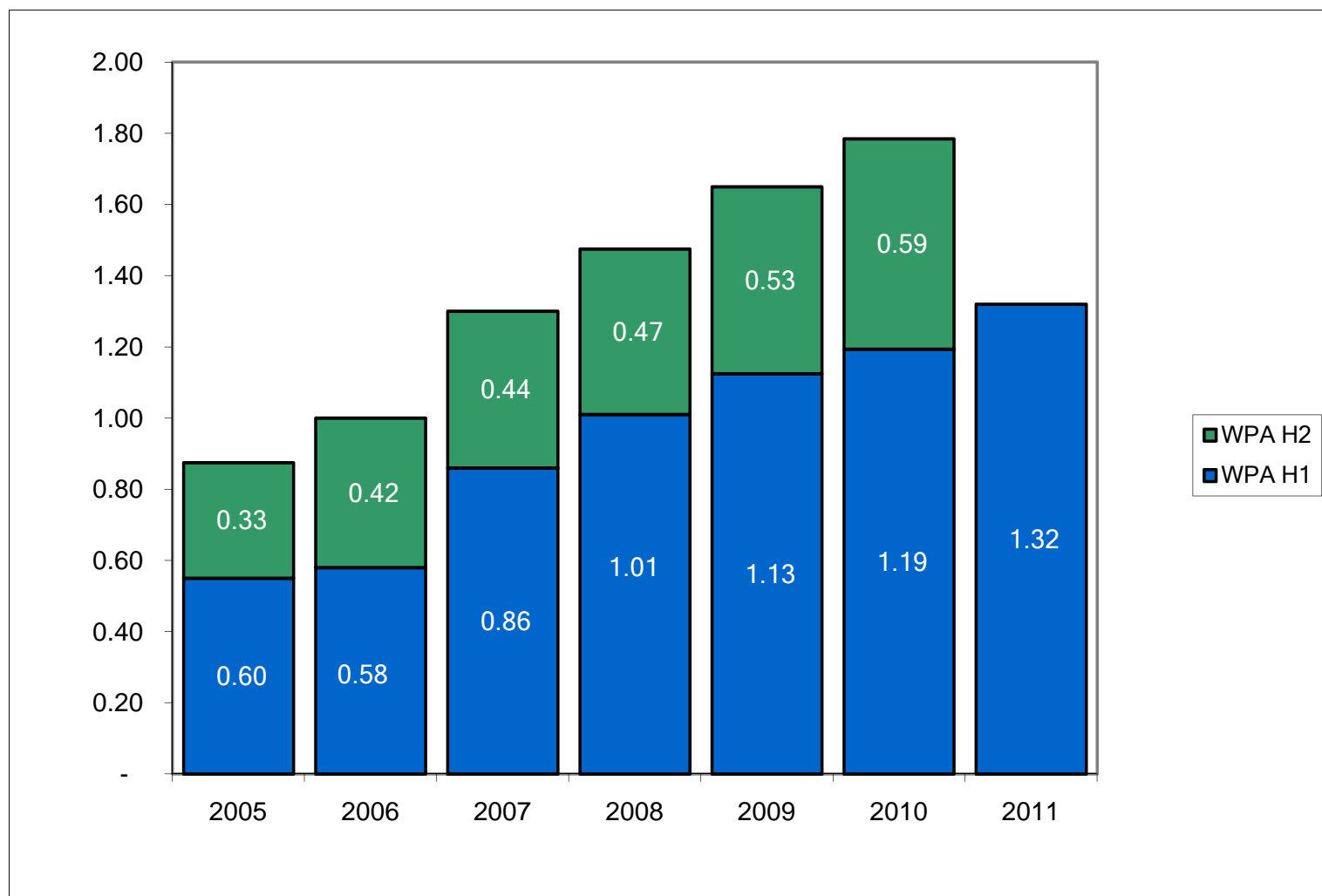
Number of outstanding shares

No. of outstanding shares 01-01-2011:	10,304,506
Issue share scheme:	19,378
Optional dividend (44% exercised as stock dividend):	201,796
Sub total:	10,525,680
Increase due to stock split 01-06-2011:	10,525,680
No. of outstanding shares 30-06-2011:	21,051,360
Weighted average no. of outstanding shares 30-06-2011:	20,729,642

Ratios

	H1 2010	H1 2011
ROCE	17.6%	14.0%
Operating profit / turnover	10.3%	9.8%
Solvency	45.4%	44.4%
Net debt / EBITDA	1.4	2.6
Average number of employees (FTE's)	1,821	2,267

Earnings per share development



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Strategy Accell Group

- Creating innovative, high-quality and recognisable products
- Leveraging our strong brands to take advantage of the continued interest for high added value products with distinctive character in innovation and contemporary design
- Positioning, promoting and expanding the brand portfolio, targeted marketing at points of sale / towards consumers and intensive cooperation with and support of the specialist trade
- Continuous cost control, inventory management, portfolio management, and further exploitation of synergies
- Active search for potential acquisitions

Outlook 2011

- Based on current market conditions, Accell Group expects to book a higher operating result (excluding one-off gains and charges, such as the additional restructuring costs of the fitness activities) in the second half of 2011 compared with the second half of 2010
- Taking this into account, Accell Group reiterates its forecast for the full-year 2011 of a further rise in turnover and result, barring economic developments and unforeseen circumstances

