

Half year results Accell Group N.V.

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Agenda

Executive Summary

Development of segments and countries in first half year 2006

Share price

Financials

Outlook

1st half year Accell Group

- Increase turnover compared to 1st half year 2005 +12% to € 242 mln
- Net result +10% to € 10,6 mln
- Earnings per share +6% to € 1,16
- Growth in both segments:
 - Bicycles / parts & accessories
 - fitness

Important developments 1st half 2006

- Acquisition Seattle Bike Supply (SBS) effective per 1 March 2006
- Variable news regarding consumer confidence
- Late start of bicycle season due to late start of spring
- World Cup soccer negatively influenced June's sales particularly in France and Germany

Increase of turnover in 1st half 2006

- Turnover increase 12%
 - 7% organic growth (2005: 1%)
 - 5% acquisitions
- Organic growth mainly due to:
 - emphasis on marketing
 - sharper pricing policy
- Turnover growth leads to increase of added value and operating profit in €

Summary results 1st half year 2006

(x € million)

	30-6-2005	31-12-2005	30-6-2006
Turnover	215,3	369,3	242,0
Net-profit	9,6	15,5	10,6
Profit per share	1,10	1,75	1,16
Solvability	40,5%	42,9%	38,9%
Balance sheet total	176,2	180,3	219,9
Share price	17,15	20,40	25,55

Measures

- In order to realize good results in the future a number of measures have been taken:
 - Replacement of Finnish bicycle production to Accell's Hungarian production facility
 - Replacement large part of fitness production to joint venture in Estonia
 - Decrease of production Mercier and integration in activities Lapierre
 - Integration of Loekie into Sparta
- Per 30 June € 0,5 mln provision for costs for execution of measures

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Bicycles / parts & accessories

- Increase of turnover +11% to € 223,3 mln, including SBS
- 541.000 bicycles sold (increase of 8% compared to 1st half 2005)
- Stable average price: approximately € 345
- Durable focus on mid and higher segment of market
- Segmental result increases +9% to € 20,8 mln

Fitness

- Increase of turnover: +42% to € 18,7 mln
- Turnover increase exists almost entirely of organic growth, largely due to introduction of new innovative products
- Result negatively influenced by organizational measures
- Central warehouse for parts and fitness equipment in the Netherlands for West and South Europe (excluding Great Brittan and Scandinavia)
- Fitness warehouse at SBS premises with view on US expansion
- Slight improvement of segmental result

The Netherlands

“Strong increase of consumer confidence” (FD, 29 June 2006)

- Increase of turnover in the Netherlands of 10% to € 117,2 mln, mainly due to higher average price of bicycle
- Integration of Loekie into Sparta per 1 September
- Continuing demand for e-bikes
- Again increase of turnover parts & accessories, among others due to more extensive product range
- Increasing turnover of fitness division

Germany

“The German consumer doesn’t act in accordance with the expectations as yet” (FD, 1 July 2006)

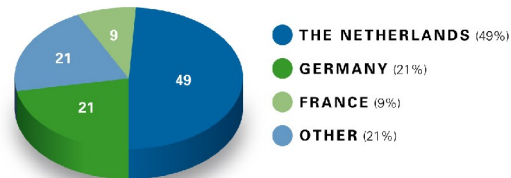
- German turnover decreases -5% to € 51,6 mln due to:
 - long lasting winter, particularly in south of Germany
 - disappointing sales during World Cup soccer
 - Hercules sold smaller amount of action models
 - lesser sales of fitness equipment than expected

France

“French consumer loses confidence” (FD, 1 June 2006)

- Turnover Lapierre increases again in comparison to the same period of last year
- Continuing pressure on bicycle prices for mega stores
- Reduction of production Mercier and integration with activities Lapierre

Geographical turnover

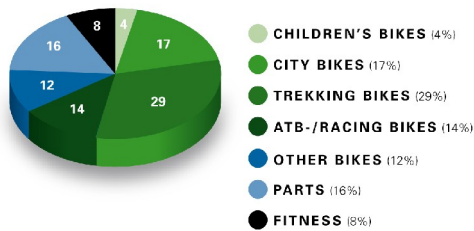


(* EUR million)

	H1 2005	H1 2006	% Change
The Netherlands	106,7	117,2	10%
Germany	54,1	51,6	-5%
France	23,0	22,6	-2%
Other	31,5	50,6	61%
Total	215,3	242,0	12%

- Increase of growth of other countries mainly due to acquisition SBS

Turnover by product group



(* EUR million.)

	H1 2005	H1 2006	
Children's bikes	10,8	10,8	0%
City bikes	40,1	41,0	2%
Trekking bikes	70,0	70,0	0%
ATB/Race	32,4	33,9	5%
Other bikes	20,4	29,1	43%
Parts	28,4	38,5	36%
Fitness	13,2	18,7	42%
Total	215,3	242,0	12%

- Product mix changes due to further increase of turnover of parts and fitness activities
- Turnover growth of other bikes, mainly due to increase of sales of e-bikes and addition of BMX bicycles (SBS)

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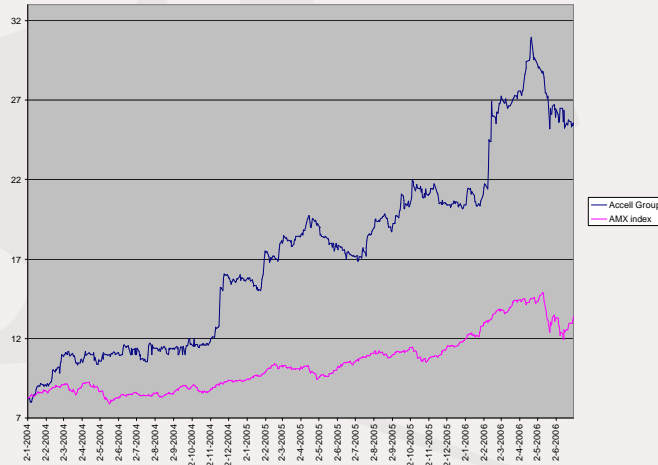
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Share price 1 Jan '04 until 30 June '06



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P&L

(x € million)	30-6-2005	2005	30-6-2006	
Net turnover	215,3	369,3	242,0	12%
Cost of raw materials	130,5	230,6	152,1	17%
Other costs	68,7	113,0	72,4	5%
Operating profit (EBIT)	<u>16,1</u>	<u>25,7</u>	<u>17,5</u>	9%
Interest costs	2,0	3,0	2,2	10%
Taxes	4,5	7,2	4,7	4%
Net profit	<u>9,6</u>	<u>15,5</u>	<u>10,6</u>	10%

* Certain marketing and promotion costs will be charged to the other operating costs as from 2006. Up to and including 2005, these costs were charged to turnover. The comparable figures of 2005 are changed accordingly. The change in presentation has no effect on capital or results.

Development of results

- Increase of turnover of 12% compared to 1st half year 2005
- Stable average bicycle price of approximately € 345
- Operating profit increases from € 16,1 mln to € 17,5 mln
- Operating profit as percentage of turnover decreases slightly from 7,5% to 7,3%

Material costs

- Relative increase of material costs:

(x € million)	H1 2005	% turnover	H1 2006	% turnover
Turnover	215,3	100%	242,0	100%
Material	<u>130,5</u>	60,63%	<u>152,08</u>	62,84%
Added value	<u>84,8</u>	39,37%	<u>89,9</u>	37,16%

- Minor decrease of added value as percentage of turnover due to:
 - Sharper pricing policy
 - Changing product mix
 - Increasing cost of material and outsourcing

Operational expenses

(x € million)	H1 2005	% turnover	H1 2006	% turnover
Cost of labor	31,5	14,7%	36,5	15,1%
Depreciations	2,8	1,3%	2,8	1,2%
Other expenses	34,4	16,0%	33,1	13,7%
Total	<u>68,7</u>	31,9%	<u>72,4</u>	29,9%

Segment information

(X € 1.000)	1H 2006				1H 2005			
	Bicycles + Parts	Fitness	Elimi- nations	Consoli- dated	Bicycles + Parts	Fitness	Elimi- nations	Consoli- dated
Turnover								
Net turnover third parties	223.318	18.692	0	242.010	202.085	13.205	0	215.290
Net turnover ic	0	322	-322	0	0	0	0	0
Total net turnover	223.318	19.014	-322	242.010	202.085	13.205	0	215.290
Result per segment	20.825 9,3%	142 0,8%	0	20.967	19.142 9,5%	28 0,2%		19.170
Segmental costs not allocated				-400				-372
Corporate costs not allocated				-3.020				-2.709
Operational trading results				17.547				16.089
Cost of interest				-2.225				-1.967
Earnings before taxes				15.322				14.122
Taxes				-4.758				-4.507
Net result after taxes				10.564				9.615

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Balance sheet, assets

Assets (x € 1.000)	30-6-2005	31-12-2005	30-6-2006
Fixed assets			
Intangible assets	3.389	3.881	12.289
Tangible assets	40.806	43.051	44.619
Financial fixed assets	4.843	4.874	4.874
	<u>49.038</u>	<u>51.806</u>	<u>61.782</u>
Other assets			
Stock	66.402	76.592	84.380
Debtors	60.775	51.885	73.733
	<u>127.177</u>	<u>128.477</u>	<u>158.113</u>
Total assets	<u>176.215</u>	<u>180.283</u>	<u>219.895</u>

* In the comparable figures of the balance sheet of 30 June 2005 a number of adjustments has been made, due to IFRS, which are also explained in the annual accounts of the 2005 financial year. This concerns among others: (i) adjustment in valuation of tangible fixed assets, (ii) presentation of inventories underway (impacting inventories, other receivables and short term debt), (iii) provisions. The adjustment in valuation of tangible fixed assets and the provisions also had an impact on group equity as per 30 June 2005. Therefore, the balance sheets as per 30 June 2005 and per 30 June 2006 are comparable.

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Working capital

(x € million)	30-6-2005	31-12-2005	30-6-2006	
Stock	66,4	76,6	84,4	27%
Debtors	57,7	47,3	68,3	18%
Creditors	24,7-	31,1-	-32,8	33%
Total	<u>99,4</u>	<u>92,8</u>	<u>119,9</u>	21%

- Effect of acquisitions on increase of stock id approximately € 5 mln
- Autonomous increase of stock approximately 19,5%
 - in order to increase availability of products during beginning of season
 - due to disturbance suply components
- Increase of debtors due to increase of turnover

Balance sheet, liabilities

Passiva (x € 1.000)	30-6-2005	31-12-2005	30-6-2006
Group equity	71.296	77.359	85.432
Subordinated debt	4.000	3.500	3.000
Provisions	10.015	10.083	10.507
Long term debt	21.898	21.649	21.390
Credit institutions	19.996	24.460	40.166
Short term debt	49.010	43.232	59.400
	<u>176.215</u>	<u>180.283</u>	<u>219.895</u>

- Solvability from 40,5% to 38,9%, mainly due to financing acquisition SBS
- Increase of short term debt mainly due to increase of use of suppliers credit

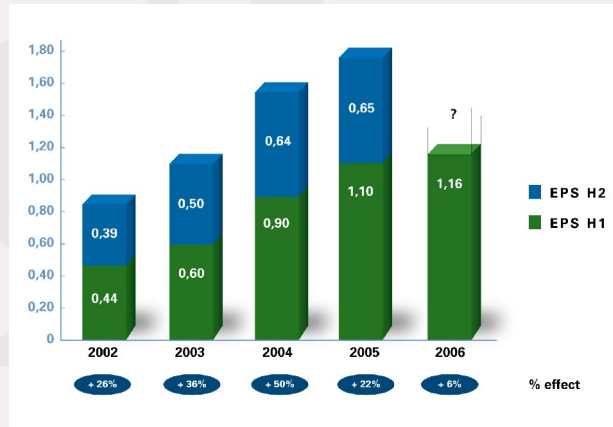
Execution proposed dividend

▪ Number of shares outstanding on 01-01-2006:	9.015.015
▪ Emission of shares further to execution of options:	63.000
▪ Proposed dividend	
▪ 65% of dividend rights paid as stock dividend:	173.823
▪ Number of shares outstanding on 30-06-2006:	9.251.838
▪ Average number of shares per 30-06-2006:	9.100.057

Ratios

	30-06-2005	31-12-2005	30-06-2006
Operational result / turnover	7,5%	7,0%	7,3%
Solvency	40,5%	42,9%	38,9%
Per share (x €)			
Group equity	8,12	8,71	9,39
Net profit from ordinary operations	1,10	1,75	1,16

EPS development



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Accell Group will continue to invest...

- Continue to invest in innovative products that appeal to consumers
- Marketing
 - Research the desires of consumers and dealers
 - Communication towards both consumers and dealers regarding the products we have to offer
 - Tight cooperation with dealers, which are able to provide the consumer with high service level and communicate the discriminating advantages of our products
- Initiatives for cost controlling measures

Outlook

- Retain to strategy
 - Organic growth
 - Acquisitions
 - Improving margins
 - Realization of synergies
- Increase of profit by 5 - 15% for FYE 2006
(barring unforeseen circumstances)

