PRESS RELEASE

Interim results first half 2017

Number of pages: 18

ACCELL GROUP BOOKS SLIGHTLY HIGHER TURNOVER

HEERENVEEN (THE NETHERLANDS), 21 JULY 2017 – Accell Group N.V. (Accell Group) today announces the interim results for the first half of the 2017 financial year.

HIGHLIGHTS

- organic increase in net turnover of 3%[1], largely on the back of strong growth in the sales of e-(performance) bikes and a steady increase in the sales of parts and accessories (P&A);
- the growth was pressured by lower sales in North America, the Netherlands and Turkey;
- the added value was impacted by the growing number of e-bikes in the sales mix and lower margins on regular bikes;
- operating costs were down slightly, despite around € 5 million in extra costs for the implementation of the strategy;
- the underlying operating result increased slightly;
- net profit was lower due to the negative impact of a one-off non-cash write down of € 3.8 million on a tax asset related to the North American operations;
- working capital once again improved strongly.

KEY FIGURES

(in € million unless otherwise stated)	**H1 2017**	**H1 2016**	**Δ**
Net turnover	**634.0**	**629.7**	**+0.7%**
Added value	28.9%	30.3%	
Underlying operating result[2]	**59.3**	**57.9**	**+2.4%**
Unallocated operating costs[3]	(11.8)	(5.5)	
Operating result excluding one-off gains and charges[4]	**47.5**	**54.4**	**-12.6%**
EBIT-margin	7.5%	8.3%	
Net profit	**26.3**	**34.0**	**-22.7%**
Working capital	30.2%	32.9%	
Free cash flow	35.8	48.9	**-26.8%**
ROCE	11.8%	12.0%	

[1] Corrected for the P&A activities in North America sold in 2016 and based on constant currency exchange rates
[2] Sum of the segment result Bicycles and the segment result P&A
[3] Including € 5 million in extra costs for the implementation of the strategy
[4] H1 2016: Adjusted for a non-recurring write-down of € 2 million due to the bankruptcies of the two multi-sports chains in North America.

In case of any inconsistencies the Dutch version of this press release is leading.

Hielke Sybesma, Interim-Chairman of the Board of Directors: "*We once again benefitted from our leading position in the field of e-bikes in the past six months. We noted a particularly strong increase in sales of e-performance bikes for active recreation and sports and these now represent about 40% of our turnover in e-bikes. Turnover in regular bikes lagged expectations in various countries, in which mainly conditions in North America, the Netherlands and Turkey played a role. Parts & accessories turnover came in higher, partly due in part to greater demand for replacement parts for e-bikes.*

Consumer purchasing behaviour is changing, which has in turn led to a continuing change in distribution channels. In North America due to a deterioration in the retail market sales to multi-sports chains in the first half of the year were disappointing. Our sales via other (online) channels in North America are increasing as a result of the changes in distribution strategy for our brands Raleigh and Diamondback.

In recent months, we have devoted considerable energy to the implementation of the strategy we announced in March. We are making good progress on the various strategic fronts and we are laying the foundations that will help us achieve our medium-term goals. We are booking particularly solid progress in the fields of supply chain, parts & accessories, portfolio management and IT. The Supply Chain Management organization is currently in full swing. A clear effect of this is that the working capital situation continues to improve. However, the costs incurred for the implementation of the strategy are exerting additional pressure on our results.

Barring unforeseen circumstances, in the second half of 2017 we expect to record an increase in turnover compared to the same period last year and an underlying operating result[5] at around the same level as the second half of 2016 (€ 16 million)."

GROUP PERFORMANCE

(in € million unless otherwise stated)	**H1 2017**	**H1 2016**	**Δ**
Net turnover	634.0	629.7	+0.7%
Added value	183.2	191.0	-4.1%
As % of turnover	28.9%	30.3%	

Net turnover increased by 0.7% to € 634.0 million in the first half of 2017 (H1 2016: 629.7 million). Adjusted for the sale of the parts & accessories operations in North America in 2016, organic growth was 1.6%. Currency exchange effects had an impact of 1% on turnover.

The **added value** (net turnover less cost of materials and inbound transport costs) as a percentage of turnover came in at 28.9%. The largest impact on added value came from the increase in the contribution from e-bikes and reduced margins on regular bikes.

[5] Sum of the segment result Bicycles and the segment result P&A; as such excludes the costs related to the implementation of the strategy

(in € million unless otherwise stated)	H1 2017	H1 2016	Δ
Staff costs	65.7	65.2	+0.8%
As % of turnover	10.4%	10.3%	
Other operating costs	64.9	67.9	-4.4%
As % of turnover	10.2%	10.8%	

Operating costs came in 2.1% lower at € 135.7 million. As a percentage of turnover, operating costs were 21.4% (H1 2016: 22.0%). Operating costs were lower due to the reduced sales volume. Operating costs include around € 5 million in exceptional expenses related to the implementation of the strategy. These are related to the strengthening of the group organisation, IT projects and of consultancy fees.

The **operating result** declined by 9.3% to € 47.5 million (H1 2016: € 52.4 million), largely due to the lower added value and as a result of the extra costs related to the implementation of the strategy. This translates into an EBIT margin of 7.5%. There were no one-off gains and changes in the first half of 2017.

(in € million unless otherwise stated)	H1 2017	H1 2016	Δ
Financial expenses (net)	5.5	4.5	+23.2%
Taxes	16.0	14.4	+11.5%
Tax rate	37.9%	29.8%	
Net profit	26.3	34.0	-22.7%

Financial expenses came in at € 5.5 million due to higher exchange rate differences on foreign currency positions (€ 2.0 million) and an accelerated depreciation of the financing costs (€ 0.6 million) related to the previous refinancing. The extension of the group financing completed in March has resulted in improved terms and lower interest costs. The credit uptake also declined as a result of the improved working capital.

Due to the expected lower sales to US multi-sports chains, the current tax asset of € 3.8 million has been written down and no new tax assets will be recognised. As a result, the **tax charge** increased.

Net profit in the first half of 2017 declined to € 26.3 million (H1 2016: € 34.0 million). Net earnings per share came in at € 1.01 in the first half of the year (H1 2016: € 1.34).

PERFORMANCE PER SEGMENT

Bicycles

(in € million unless otherwise stated)	H1 2017	H1 2016	Δ
Net turnover	491.4	490.3	+0.2%
Segment result	48.3	49.6	-2.6%

Net turnover in the bicycle segment remained virtually unchanged compared with the first half of 2016. In Germany and other neighbouring countries higher sales in e-bikes were recorded. Sales of sports e-MTBs from the Haibike, Ghost and Lapierre brands recorded particularly strong growth.

Boosted by a stronger focus on the sales of more expensive and high-quality (electric) bikes, the number of bikes sold came in at 753,000 in the first half of 2017. The shift in the sales mix and reduced lower margins on regular bikes impacted the **segment result**.

Parts & accessories

(in € million unless otherwise stated)	**H1 2017**	**H1 2016**	**Δ**
Net turnover	142.6	139.4	+2.2%
Segment result	11.0	8.3	+33.3%

Net turnover in parts & accessories came in higher in 2017. The share of turnover accounted for by Accell Group's own brand XLC increases once again in Europe.

On the back of good results in all the European countries in which we are active, the **segment result** from this trading activity came in higher. The greater share of turnover accounted for by our own brand XLC (in Europe) made a positive contribution to the higher segment result, due to improved utilisation of purchasing benefits.

DEVELOPMENTS PER REGION

Net turnover			
(in € mln unless otherwise stated)	**H1 2017**	**H1 2016**	**Δ**
The Netherlands	123	136	-10%
Germany	191	160	+19%
Rest of Europe	248	238	+4%
North America	57	73	-22%
Other countries	16	23	-31%

In **the Netherlands** a clear change in consumer purchasing behaviour is noticed. The traditional dealer channel is under pressure. With the implementation of our strategy, we will work together with dealers on a sustainable solution.

In **Germany,** turnover was up, largely due to the higher sales of e-MTBs from Haibike and Ghost. Sales of regular bikes were also lower. In addition to the higher sales of e-MTBs, turnover in bike parts was also higher than in 2016.

In the **Rest of Europe**, higher sales of e-MTBs accounted for turnover growth. The popularity of e-MTBs produced by our international brands Haibike, Lapierre and Ghost is growing in almost all European countries. Turnover from parts & accessories was higher in virtually all other countries in Europe. Sales of regular bikes were lower in most countries.

Turnover in **North America** came in lower; partly due to the sale of the parts & accessories activities last year. In that same year, Accell Group made significant adjustments to its distribution strategy in North America, and made a clear choice for omni-channel sales. In the first half of 2017, the US bicycle market saw a drop in the sales of bikes via the specialist retail trade. The number of multi-sport retail chains has reduced. Sales via other channels are growing, but this was not yet enough to offset the decline in sales to multi-sport retail chains.

Turnover in **Other countries** was limited and declined largely as a result of the economic situation in Turkey. In the Asian countries and in Australia, turnover came in at roughly the same level as in the first half of 2016.

FINANCIAL STRENGTH AND CAPITAL EFFICIENCY

	End-H1 2017	End-H1 2016
Net debt / EBITDA	1.8	2.2
Interest cover	9.7	9.2
Solvency[6]	42.0%	45.1%

Accell Group's total **net debt**, comprising interest-bearing loans, bank credits and cash and cash equivalents, stood at € 120.0 million as per 30 June 2017, and was lower than at the same time last year (end-H1 2016: € 158.7 million).

Shareholders' equity stood at € 321.3 million, resulting in a solvency rate of 42.0% (end-H1 2016: 45.1%). The movement in shareholders' equity of € 5.9 million was largely due to the profit for the period (+ € 24.6 million), dividend payments (-/- € 6.8 million), UK pensions (-/- €4.1 million), financial instruments (-/- € 10.5 million) and currency exchange differences (-/- €9.1 million).

(in € mln unless otherwise stated)	H1 2017	H1 2016	Δ
Net working capital (per end-H1)	317.6	342.5	-7.3%
% of turnover	30.2%	32.9%	
Investments in tangible fixed assets	4.6	5.9	-24.8%
Free cash flow	35.8	48.9	
ROCE	11.8%	12.0%	

The net **working capital** came in at € 317.6 million, a drop of 7.3% when compared to the first half of 2016. Inventories were up by 5.0% and came in at € 309.9 million. The composition of the inventories improved and the impact of the value increase (due to the changed sales mix) was around 9%. Accounts receivable stood at € 177.4 million, compared with € 177.0 million as per 30 June 2016.

Due to the longer payments term agreed with suppliers, accounts payable increased to € 169.7 million, a rise of 30.9%. The positive development in working capital was due in part to the increase in the centralised management of the supply chain.

[6] Solvency is determined after netting the amounts in the 'notional cash pool arrangement'

The net **cash flow** from operating activities was positive and came in at € 40.8 million.

EVENTS AFTER THE BALANCE SHEET DATE

On 14 July 2017, Accell Group N.V. announced that the Supervisory Board intends to appoint Ton Anbeek, currently CEO of Beter Bed Holding N.V., as Chief Executive Officer (CEO) and chairman of the Board of Directors, effective 1 November 2017. As CEO, Mr. Anbeek will be responsible for the implementation of the strategy as announced by Accell Group.

MANAGEMENT AGENDA AND OUTLOOK

Cycling will remain popular in the years to come for mobility, recreational and sports purposes. Accell Group expects to maintain its competitive edge with its high-quality products and expects to be able to continue to add innovations to make cycling for various purposes even more attractive.

In line with the strategy, in 2017 Accell Group will continue to shape and implement integrated management in fields such as supply chain, human resources, marketing and IT, and ensure that operational processes are structured more efficiently and that the company makes more effective use of synergy potential. In addition, Accell Group will also this year continue to actively seek potential increases in scale through acquisitions that are a good fit with the strategy.

Barring unforeseen circumstances, in the second half of 2017 we expect to record an increase in turnover and an underlying operating result around the same level as in the second half of 2016 (€ 16 million).

***** ENDS *****

This is a public announcement by Accell Group N.V. pursuant to section 17 paragraph 1 of the European Market Abuse Regulation (596/2014). This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Accell Group N.V.

In case of any inconsistencies the Dutch version of this press release is leading.

ABOUT ACCELL GROUP

Accell Group N.V. focuses internationally on the mid-range and higher segments of the market for bicycles and bicycle parts and accessories. The company has leading positions in the Netherlands, Belgium, Germany, Italy, France, Finland, Turkey, the United Kingdom and the United States. In Europe, Accell Group is market leader in the bicycle market measured in turnover. Accell Group's best known brands are Haibike (Germany), Winora (Germany), Batavus (Netherlands), Sparta (Netherlands), Koga (Netherlands), Lapierre (France), Ghost (Germany), Raleigh and Diamondback (UK, US, Canada), Tunturi (Finland), Atala (Italy), Redline (US), Loekie (Netherlands) and XLC (international). Accell Group and its subsidiaries employ approximately 3,000 people in eighteen countries worldwide. The company has production facilities in the Netherlands, Germany, France, Hungary, Turkey and China. Accell Group products are sold in more than seventy countries. The company's head office is located in Heerenveen (the Netherlands). Accell Group shares are traded on the official market of Euronext Amsterdam and are included in the Amsterdam Small Cap index (AScX). In 2016, Accell Group sold around 1.5 million bicycles and recorded profitable turnover of over € 1 billion. www.accell-group.com

Not for publication

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LIVE AUDIO WEBCAST: ANALYST CALL

Today, 21 July 2017 - start: 10.00 CET

The analyst conference call about the half year results 2017 can be followed live via this link. The replay will be available on the corporate website of Accell Group.

AGENDA

9 March 2018	Publication full year results 2017

TRANSPARENCY DIRECTIVE

For the purposes of the Transparency Directive of the European Union (Directive 2004/109/EC, revised), Accell Group N.V.'s home member state is the Netherlands.

FORWARD-LOOKING STATEMENTS

from the date of this document and Accell Group does not accept any liability for or obligation to amend the forward-looking statements contained in this document, regardless of whether these pertain to new information, future events or otherwise, unless Accell Group is under a legal obligation to do so.

ANNEXES

- Condensed consolidated income statement
- Condensed consolidated balance sheet
- Condensed consolidated statement of comprehensive income
- Condensed consolidated statement of changes in equity
- Condensed consolidated statement of cash flows
- Notes to the consolidated interim financial statements

Condensed consolidated income statement (1)

(in thousands of euro) For the six months ending 30 June

	2017	2016
		revised (2)
Net turnover	**633,997**	**629,693**
Costs of raw materials and components	-450,827	-438,700
Personnel costs	-65,672	-65,167
Depreciation, amortization and impairment losses	-5,144	-5,615
Other operating expenses	-64,850	-67,851
Operating result	**47,504**	**52,360**
Interest income and expensess	-3,760	-4,412
Other finance cost	-1,749	-60
Income from equity-accounted investees, net of tax	300	466
Profit before taxes	**42,295**	**48,354**
Income tax expense	-16,036	-14,387
Net profit	**26,259**	**33,967**
Earnings per share (in euro)		
Earnings per share	1.01	1.34
Weighted average number of issued shares	25,944,714	25,410,258
Earnings per share (diluted)	1.00	1.33
Weighted average number of issued shares (diluted)	26,128,456	25,577,424

(1) The interim financial statements are unaudited.

(2) The presentation of the costs of raw materials and components, personnel costs and other operating expenses is in accordance with the last financial statements. As a result the comparative figures are adjusted for presentation purposes.

Condensed consolidated balance sheet (1)

(in thousands of euro)

	30 June 2017	31 December 2016	30 June 2016
			revised (2)
ASSETS			
Property, plant & equipment	71,100	71,672	70,247
Intangible assets	102,226	103,959	102,944
Financial fixed assets	26,997	29,116	31,903
Non-current assets	**200,323**	**204,747**	**205,094**
Inventories	309,947	321,553	295,163
Trade receivables	177,392	137,855	177,025
Other receivables	17,884	22,188	22,590
Other financial instruments	-	6,049	5,245
Cash and cash equivalents	59,497	49,421	183,541
Current assets	**564,720**	**537,066**	**683,564**
Total assets	**765,043**	**741,813**	**888,658**

	30 June 2017	31 December 2016	30 June 2016
			revised (2)
EQUITY	**321,272**	**319,380**	**327,192**
LIABILITIES			
Interest-bearing loans	99,406	47,173	53,822
Provisions	5,199	4,044	3,019
Other non-current liabilities	19,552	23,396	19,760
Non-current liabilities	**124,157**	**74,613**	**76,601**
Interest-bearing loans and revolving credit facility	25,008	61,619	100,889
Bank overdrafts	55,082	87,901	187,543
Trade payables	169,736	153,198	129,710
Provisions	4,893	4,826	6,336
Other current liabilities	53,518	38,514	57,745
Other financial instruments	11,377	1,762	2,642
Current liabilities	**319,614**	**347,820**	**484,865**
Total equity & liabilities	**765,043**	**741,813**	**888,658**

(1) The interim financial statements are unaudited.

(2) The presentation the deferred tax assets, deferred tax liabilities and notional cash pooling arrangements is in accordance with the last financial statements. As a result the comparative figures are adjusted for presentation purposes.

Condensed consolidated statement of comprehensive income (1)

(in thousands of euro) For the six months ending 30 June

	2017	2016
Net profit	**26,259**	**33,967**
Items that will never be reclassified to profit or loss		
Remeasurement of the defined benefit liability (asset)	1,523	-955
Related tax	-559	192
Items that are or may be reclassified subsequently to profit or loss		
Foreign operations - foreign currency translation differences	-6,526	-3,737
Cash flow hedges	-15,665	1,165
Related tax	3,916	-291
Total comprehensive income	**8,948**	**30,341**

(1) The interim financial statements are unaudited.

Condensed consolidated statement of changes in equity (1)

(in thousands of euro)

	Total equity 2017	Total equity 2016
Balance at 1 January	**319,380**	**305,941**
Net profit	26,259	33,967
Other comprehensive income	-17,311	-3,626
Total comprehensive income	**8,948**	**30,341**
Dividends paid	-18,616	-18,215
Stock dividends	11,876	9,422
Other	-316	-297
Balance at 30 June	**321,272**	**327,192**

(1) The interim financial statements are unaudited.

Condensed consolidated statement of cash flows (1)

(in thousands of euro) For the six months ending 30 June

	2017	2016
Cash flow from operating activities		
Net profit for the period	26,259	33,967
Adjustments for:		
- Depreciation and amortization	5,144	5,615
- Net finance cost	5,509	4,472
- Share of profit from equity-accounted investees, net of tax	-300	-466
- Equity-settled share-based payment transactions	-291	-289
- Gain on sale of property, plant and equipment	-	-
- Tax expense	16,036	14,387
	52,357	**57,686**
Change in:		
- Inventories, trade receivables/payables and other receivables/payables	2,544	16,588
- Provisions, employee benefits and deferred revenue	942	-501
Cash generated from operating activities	**55,843**	**73,773**
Interest paid	-4,169	-5,434
Taxes paid	-10,834	-12,723
Net cash from operating activities	**40,840**	**55,616**
Cash flow from investing activities		
Interest received	305	288
Dividends received	-	79
Acquisition of a subsidairy, net of cash acquired	-	-209
Acquisition and disposal of fixed assets	-5,376	-6,892
Net cash used in investing activities	**-5,071**	**-6,734**
Free cash flows (2)	**35,769**	**48,882**
Cash flow from financing activities		
Proceeds from (repayment of) interest-bearing loans	38,725	-6,328
Dividends paid	-6,740	-8,793
Proceeds from (repayment of) revolving credit facility	-24,050	-25,950
Net cash from (used in) financing activities	**7,935**	**-41,071**
Net increase (decrease) in cash and bank overdrafts	**43,704**	**7,811**
Cash and bank overdrafts at 1 January	-38,480	-13,365
Effect of exchange rate fluctuations on cash and bank overdrafts held	-809	1,552
Cash and bank overdrafts at 30 June 2016	**4,415**	**-4,002**

(1) The interim financial statements are unaudited.

(2) Free cash flows is defined as the balance of net cash flows from operating activities and net net cash used in investment activities

Notes to the condensed consolidated financial statements

1. General information

Accell Group N.V. (“Accell”) is a company domiciled in Heerenveen, the Netherlands. These condensed consolidated interim financial statements (“interim financial statements”) as at and for the six months ended 30 June 2017 comprise Accell and its subsidiaries (together referred to as “Accell Group”). Accell Group with its group of companies is internationally active in the design, development, production, marketing and sales of innovative and high-quality bicycles and bicycles parts and accessories.

2. Basis of accounting

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the group’s last annual consolidated financial statements as at and for the year ended 31 December 2016 (“last financial statements”). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Accell Group’s financial position and performance since the last financial statements.

These interim financial statements are unaudited.

3. Use of judgements and estimates

In preparing these interim financial statements, Accell Group has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by Accell Group in applying Accell Group’s accounting policies and key sources of estimation uncertainty were the same as those applied to the last financial statements.

a. Measurement of fair values

When measuring the fair value of an asset or liability, Accell Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability are not based on observable market data (unobservable inputs).

Further information about the assumptions made in measuring fair values is included in note 12 – financial instruments.

4. Operating segments

Information about reportable segments

(in millions of euro)	For the six months ending 30 June			
	Bicycles		**Parts & accessories**	
	2017	**2016**	**2017**	**2016**
External revenues	491.4	490.3	142.6	139.4
Segment profit (loss) before tax	48.3	49.6	11.0	8.3

Reconciliation of reportable segment profit (loss) before tax

(in millions of euro)	For the six months ending 30 June	
	2017	**2016**
Total profit (loss) before tax of reportable segments	59.3	57.9
Unallocated amounts:		
- Interest income and expense	- 3.8	- 4.4
- Other finance cost	- 1.7	- 0.1
- Income from equity-accounted investees, net of tax	0.3	0.5
- Other operating expenses	- 11.8	- 5.5
Consolidated profit (loss) before tax	**42.3**	**48.4**

5. Seasonality of operations

Accell Group operates in an international bicycle market, which has a fixed seasonal pattern but can still vary per country. The bicycle season in Europe and North America, where the company has most of its operations, runs from September till August. Each year at the start of the new season Accell Group launches its new bicycle collections.

Peaks in bicycle deliveries across the season vary from year to year, but are virtually always – and partly depending on the weather – in the period from February through August. The season for Parts & accessories has a more level sales pattern and runs from February through November, also with differences per sales market. Due to this seasonality more turnover is generated in the six months ending 30 June than in the six months ending 31 December.

6. Changes in composition of Accell Group

In the six months ending 30 June 2017 no material changes in the composition of Accell Group occurred.

7. Pension asset

For interim reporting purposes the net pension asset of the UK pension plan, included in financial fixed assets, has been remeasured. The fair value of the scheme assets increased due to an above average return on assets and the present value of the funded obligations decreased due to updated actuarial assumptions, resulting in a net increase of EUR 1.5 million in the net pension asset. The weakening of the British Pound against the Euro resulted in translation loss of EUR 0.3 million, totaling the increase in the net pension asset to EUR 1.2 million.

8. Deferred tax assets

Based on recent developments Accell Group has insufficient assurance that in the foreseeable future sufficient future taxable profits will be available in North America to realize the deferred tax asset of EUR 3.8 million of carry forward losses and temporary differences. From this perspective the deferred tax asset is derecognized.

9. Tax expense

Tax expense is based on Accell Group's best estimate of the weighted-average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period.

Accell Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2017 was 37.9% (for the six months ended 30 June 2016: 29.8%). The main change in effective tax rate was caused by derecognizing the deferred tax asset in North America.

10. Capital and reserves

Issues of ordinary shares

As of 31 December 2016 was 25,834,236 ordinary shares have been issued and paid in full. In March a total of 21,072 ordinary shares were issued as a result of the vesting of conditional shares arising from the restricted share program by the Board of Directors and managing directors. In May 399,871 ordinary shares were issued in respect of stock dividend and added to the outstanding share capital.

As per 30 June 2017, the number of outstanding shares amounted to 26,255,179; the weighted average number of outstanding shares amounted to 25,944,714 over the six months ended 30 June 2017.

The company has a long-term incentive plan for the Board of Directors and a number of managing directors. In event of full exercise of the option entitlements granted to date and the vesting of the conditional shares the number of issued ordinary shares would increase by 0.7%.

Dividends

On 25 April 2017, the Annual General Meeting of Shareholders approved a dividend payment of €0.72 per ordinary outstanding share for the financial year 2016 to be paid out in cash or stock.

Following the expiration of the option period shareholders representing 64% of the total number of outstanding ordinary shares have chosen to receive the dividend in stock. As a result 399,871 shares were issued and added to the outstanding ordinary shares and a cash dividend of € 6.7 million was paid out.

11. Net interest-bearing debt position

Net interest-bearing debt position

(in thousands euro)	**30 June 2017**	**31 December 2016**
Non-current secured bank loans	99,396	47,158
Non-current other bank loans	10	15
Current portion of secured bank loans	0	12,500
Current portion of other bank loans	8	69
Revolving credit facility	25,000	49,050
Bank overdrafts	55,082	87,901
-/- Cash and cash equivalents	- 59,497	- 49,421
Net interest-bearing debt position	**119,999**	**147,272**

Refinancing
Accell Group reached agreement with a syndicate of 6 (international) banks on a renewed group financing facility to replace / extend the existing facility. The new financing for a total of € 375 million, with an option for an additional sum of € 150 million for future acquisitions, offers greater flexibility at better terms and has a term of maximum 5 years with a possible extension of 2 years. The financing facility comprises a secured bank loan and a revolving credit facility, part of which is structured as a seasonal facility. The covenants are based on result (EBITDA), ratio financing and working capital ('borrowing reference') and solvency. The banks in the syndicate are ABN AMRO Bank, Deutsche Bank, ING Bank, Rabobank, BNP Paribas and HSBC.

12. Financial instruments valued at fair value

The following table shows the fair values of financial instruments valued at fair value. It does not include fair value information for financial instruments not measured at fair value.

Financial instruments measured at fair value

(in thousands of euro)	**30 June 2017**	**31 December 2016**
Interest rate swaps used for hedging	- 971	- 1,762
Forward exchange contracts used for hedging	- 10,406	6,049

The fair value of interest rate swaps is estimated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap-rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar resources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of Accell Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.

The fair value of forward exchange contracts is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

In respect of the fair value hierarchy these fair values are categorized in level 2: the fair value of these instruments is determined on the basis of inputs other than quoted prices that are observable for the asset or liability. In the six months ended 30 June 2017 no transfers occurred between the levels of the fair value hierarchy.

Directors’ responsibility statement

The Board of Directors is responsible for setting up and monitoring the efficiency of the internal risk management and internal control system. The Board of Directors would like to state at this point that the internal risk management and internal control system is intended to identify and control significant risks to which the company is exposed, with due consideration for the nature and scope of the organization. Such a system does not provide absolute certainty that objectives will be realized. Similarly, it is not possible to completely prevent potential material errors, damage, fraud or the violation of statutory regulations. Actual effectiveness can only be assessed on the basis of the results across a longer period of time.

With reference to article 5.25d paragraph 2c of the Dutch Financial Supervision Act (“Wft”) and with due observance of the above notes regarding the set-up and operation of the internal risk management and internal control system the Board of Directors state that, as far as they are aware, the financial report as included on pages 9 up to 12 of this report provides a true representation of the assets, liabilities and the financial position on the balance sheet date as well as the profit for the first half-year of Accell Group N.V. and the companies included jointly in the consolidation, and the report as included on the pages 1 to 6 of this report provides a true representation of the information as required under article 5.25d paragraph 8 and 9 of the Financial Supervision Act (“Wft”).

Board of Directors
H.H. Sybesma, Interim-CEO and CFO
J.M. Snijders Blok, COO
J.J. Both, CSCO

21 July 2017