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PRESS RELEASE

Accell Group profit up 11 % in 2010

Heerenveen (the Netherlands), 25 February 2011 - Accell Group N.V. recorded a rise in turnover and net profit in 2010. Turnover rose by 1% to € 577.2 million, from € 572.6 million in 2009. Poor weather conditions for bike sales in the fourth quarter and adverse exchange rate effects led to a drop in the operating result in the second half of 2010, compared with the same period of 2009. However, tax benefits and lower interest charges resulted in a rise in net profit of 11% to € 36.4 million in 2010, compared with € 32.7 million in 2009.

René Takens, Chief Executive Officer of Accell Group says: *"We can be reasonably satisfied with our overall performance in 2010, against the background of exceptionally poor weather conditions in 2010 and volatile exchange rate developments around the time of the changeover of bicycle collections in the summer. The drop in turnover was limited in the second half of the year, though turnover remained unexpectedly strong below our original expectations. Our companies were partly able to charge on the increases in exchange rate of the US dollar and Japanese Yen from April 2010 in new sales prices, although the price increases were received more positively in some segments than in others. In bicycles, last year once again saw greater sales in electric and sports bikes, while sales in city bikes were down. We noted the largest increase in turnover in parts and accessories.*
Once again the value of our strong brands and innovations, as well the importance of our well diversified product segments and geographical presence were revealed. This diversity allows us to respond relatively quickly to changes in the market.
We have now completed the acquisition of the Turkish firm Bianchi Bisiklet (now named Accell Bisiklet) and the 50% participation in the Italian company Atala. Barring unforeseen circumstances, we expect a further rise in turnover and result for 2011."

Key developments in 2010

The weather conditions made 2010 an unfavourable year for bicycle sales. The long winter led to a late start to the bicycle season. May and August were very wet months and the low temperatures and snow also made the fourth quarter an unfavourable period for bicycle sales. The general economic conditions and the price increases also affected sales. The overall turnover in bicycles dropped slightly. However, sales of high-grade electric bikes and sports bikes increased once again. A clear rise in sales was noted in parts & accessories, both organically and via small-scale acquisitions, while we noted a slight drop in the sale of fitness equipment.

Turnover specification (amounts in € million)

Geographical		*Per product group*	
Netherlands	224.9	Bicycles	425.8
Germany	144.5	Parts & accessories	122.9
France	53.7	Fitness	28.5
Rest of Europe	110.1		
Other countries	43.9		
Total	**577.2**	**Total**	**577.2**

Bicycles / bicycle parts & accessories

Turnover in the segment bicycles / bicycle parts & accessories increased by 1% to € 548.7 million in 2010 (2009: € 543.0 million). These activities thus accounted for around 95% of Accell Group's total turnover. The demand for electric bikes, mountain bikes and special (target group) bikes in the middle and upper segments of the market developed positively, while the traditional city bikes and children's bikes sold less well than in 2009. Total turnover in bikes dropped slightly on balance. Turnover in bicycle parts & accessories was up 13%.

The number of bikes sold dropped to 949,000 (2009: 986,000), while the average price of the bicycles sold increased further, to € 449 (2009: € 439). The change in the sales mix and the price increase of bicycles (2011 collection) affected the increase in the average price. The segment result dropped 10% to € 55.5 million (2009: € 61.6 million), due to the earlier mentioned circumstances.

As in 2009, the bicycle markets in 2010 were affected by further shifts in the types of bicycles sold, which made consumer demand more difficult to predict. Dealers were therefore more cautious in placing advance orders and building up stocks in the winter period. The generally less positive financing opportunities for dealers continued to play a role as well.

Compared with previous years, the weather in the first half of 2010 was unfavourable for the sale of bicycles. Nor did this change in the second half of 2010. The fourth quarter in particular saw lower sales than expected due to cold weather and early snow, which is why inventories and working capital were high at year-end 2010.

Turnover in bicycles / bicycle parts & accessories in the Netherlands dropped 5%. Demand for electric bikes and special (target group) bikes was once again positive. Sales of traditional models in the mid-market segment and children's bikes continued to drop. The tax relief scheme for company bicycles in the Netherlands is set to change, which means it will be less attractive for employees and employers to buy company bikes. The impact of this change was felt in 2010, as several projects were abandoned. In 2011, a further drop in the sale of company bikes is expected. Turnover in bicycle parts & accessories rose, as the maintenance and repair of existing bicycles increased when consumers did not (yet) decide to purchase a new bicycle.

Turnover in Germany was up, partly due to the acquisition of Batavus distributor Bäumker in January 2010. Sales of electric bikes rose substantially in Germany in 2010, while sales of other bikes dropped as a result of the early onset of winter and the effects of price increases for the 2011 range. Sales of bicycle parts & accessories continued to increase in Germany, partly as a result of increased sales of our own XLC brand and the addition of the parts turnover from Bäumker.

In France, Accell Group sold fewer bikes in 2010. Sales of sports bicycles in particular was under pressure, partly as a result of the implemented price increases. As in most other countries, sales of parts and accessories showed an increase, including those in XLC parts. Sales of electric bicycles under the Lapierre brand in France remained modest.

In Scandinavia, Tunturi-Hellberg saw its turnover increase, not only in its home market Finland, but also in the other countries. Exports of sports and mountain bikes in particular increased. This was true for eastern Europe and southern Europe as well as for outside Europe to Asian countries, where sales of sports bikes from Europe and the US is increasing. In several countries in Southeast Asia, sales activities have been initiated for selling Ghost, Lapierre and Koga bicycles. The turnover in Asia is modest, but is expected to increase in the coming years. Turnover in Belgium (including Brasseur) in both bikes and parts & accessories also increased in 2010.

In North America, consumers are showing a growing interest and willingness to buy bicycles. The bicycle turnover increased primarily through the sales of the BMX brand Redline bicycles. Turnover in parts & accessories stabilised.

Fitness

Turnover in the fitness segment dropped 4% to € 28.5 million (2009: € 29.7 million). This means these activities accounted for around 5% of Accell Group's overall turnover. The segment result improved in 2010, to € -/- 0.4 million, compared with € -/- 2.5 million in 2009.

In the first half year, Accell Group saw a strong rise in turnover, particularly as a result of sales to new distributors, some of which was due to the replacement of existing distributors and some of which was in new countries. The second half year saw a drop in turnover compared with the same period of 2009. This was largely due to a strong fall in demand from some major customers in North America. In addition, the closure of own operations in Germany and England and the replacement of these with third party distributors has decreased turnover for Accell Group. The downsizing of the distribution operations and adaptation of the organisation contributed to the drastically reduced cost base in the fitness division in 2010, which led to the strong improvement (€ 2 million) of the segment result. Working capital also continued to decrease.

In 2010, a good start was made with the expansion of the product range to include fitness equipment for the professional market, in addition to home-use equipment. The first products developed specifically for this market were delivered to clients in the past year.

Key financial developments in 2010

Overall turnover increased by 1% to € 577.2 million in 2010. In organic terms, there was a slight decrease of 1%. The difference was due to the acquisition of Hellberg (Finland) in June 2009 and the acquisition of Bäumker in Germany, which was included in the consolidation as from 1 January 2010.

The added value (net turnover minus raw materials costs and inbound transport costs) as a percentage of turnover was 35% in 2010, compared with 36% in 2009. This change was due to higher inbound transport costs (including flight costs), adverse exchange rate effects during the change of seasons and high discounts at the end of the season. The absolute added value fell 1% to € 203.4 million, from € 205.6 million in 2009. Since Accell Group has season price agreements with most suppliers and the currency exchange rates are largely hedged per season, the influence of falls and rises in the prices of raw materials and parts is limited during the seasons themselves, but noticeable when agreeing new seasonal prices.

The operating costs as a percentage of turnover stabilised at 27% (2009: 27%). This was due to the increase on balance of personnel costs (largely due to acquisitions) and lower other operating costs. Marketing costs amounted to around 3% of turnover in 2010.

The operating result (EBIT) came in at € 46.4 million, compared with € 49.9 million in 2009. The operating result as percentage of turnover (operating margin) was 8.0%, compared to 8.7% in 2009. It was not possible to fully charge on various cost increases, including transport costs, and turnover failed to reach planned levels, which meant the operating result and operating margin were down in the second half of 2010, compared to the same period of 2009.

Interest expenses dropped 23% as a result of lower interest rates and an average drop in Accell Group's credit need. Taxes fell to € 5.8 million. Accell Group has reached agreement with the Dutch

tax authorities about the application of the patent/innovation box. The innovation box was introduced in 2007 to boost the Dutch economy and can be seen as a subsidy for development activities of innovative companies in the Netherlands. In the innovation box, income from development is taxed at an effective rate of 10% for the years 2007 through 2009 and from 2010 at an effective rate of 5%, compared to the standard rate of 25.5%. In tax terms, the innovation box takes the form of a base rate reduction and as such, this subsidy for innovation is presented under taxes and not as a reduction of operating costs. The total refund amounted to €2.7 million.
The legal restructuring in Germany in 2009 also had a positive impact on the average tax burden, which dropped to 24% from 26.5%; the related deferred tax obligations are null and void.

The balance sheet total increased to € 383.9 million, from € 337.3 million in 2009, due to the strong increase in inventories and the acquisition of Bäumker. The total working capital came in at € 199.8 million (2009: € 168.9 million). As a percentage of turnover, the working capital was 34.6%, compared with 29.5% in 2009. The effect of acquisitions on this amounted to € 2.8 million. Organically, inventories increased by 28%. This was primarily the result of unexpectedly lower turnover in the fourth quarter, an average cost price increase of the bicycles and a shift in planning (floating inventories). The seasonal pattern of Accell's business means inventory positions decrease rapidly during the season. The increase of accounts receivable was in line with sales growth. The increase in inventories was partly financed by the increase of trade creditors.

Capital employed increased to € 302.5 million (2009: €259.5 million). The return on capital employed as per the end of the financial year was 15.3% (2009: 19.2%). The shareholders' equity at year-end stood at € 180.4 million (2009: € 151.8 million). In addition to the profit realised in 2010, the shareholders' equity was affected by a cash dividend payment of € 7.6 million (2009: € 8.7 million) and other movements of around € 0.2 million, through effects such as a changes in fair value of financial instruments (currency hedges and interest rate swaps). Provisions fell to € 23.3 million in 2010 (2009: € 33.1 million) as a result of the settlement of acquisition obligations, plus movements in tax obligations.

The solvency ratio at the end of the financial year was 47.0% (2009: 45.0%). The total of loans and bank credit stood at € 101.8 million at year-end 2010 (year-end 2009: € 85.6 million). The financing ratio (net debt/EBITDA) at year-end 2010 was 1.9 (2009: 1.5). The interest coverage ratio improved to 11.0 in 2010, from 9.1 in 2009.

The operating cash flow before working capital and provisions was € 54.3 million (2009: € 57.5 million). The net cash flow from operating activities fell to € 3.3 million (2009: € 39.2 million). The drop in operating cash flow was largely due to the increase in inventories.

Earnings per share and dividend

Earnings per share based on the average number of outstanding shares (as per year-end: 10,192,645) came in at € 3.57 in 2010 (2009: € 3.22). Due to the issue of 251,322 shares related to the stock dividend for the 2009 financial year, the correction factor for the earnings per share of previous years is 0.97552. The increase compared to the earnings per share of € 3.30 reported for 2009 is 8%.

Shareholders will be asked to approve the payment of a dividend of € 1.71 per share (2009: €1.58) payable in cash or shares. This puts the pay-out ratio at 48% (2009: 48%), which is in line with Accell's dividend policy and unchanged from previous years. Based on the closing price at year-end 2010 of € 37.80, the dividend return is 4.5%.

Accell Group announces the intention of a 1:2 share split. The company will therefore ask approval of its shareholders. At the Annual General Meeting of shareholders on 28 April 2011 a proposal will be made to amend the articles of association in order to allow for a share split. The reason for the proposed split is an increased marketability for both retail and institutional investors.

Developments after balance sheet date

Accell Group has completed the acquisition, announced in November 2010, of the Turkish firm Bianchi Bisiklet (now named Accell Bisiklet), including the 50% stake in the well known Italian company Atala. Accell Bisiklet sells around 250,000 bicycles a year and has an annual turnover of around € 30 million. Atala sells around 125,000 bikes, as well as bicycle parts and accessories and fitness equipment, with an annual turnover of around € 31 million. The acquisition will be financed from existing credit facilities and will contribute to earnings per share in 2011. Accell Bisiklet will be fully consolidated into the Accell Group results as from 1 February 2011. The 50% stake in Atala will be consolidated as a participation from that same date.

Outlook

Health, environmental awareness, mobility and active leisure time are long-term underlying trends that continue to boost consumer demand for Accell Group products. In the coming years, the use of bicycles for recreation and sports, as well as an alternative to cars, will continue to rise, both in the Netherlands and abroad. The electric bicycles, the more expensive mountain bikes, sports bikes, racing bikes and special (target group) bikes are all receiving considerable attention from consumers.

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 as success factors.
Support of these brands, close cooperation with the specialist trade and targeted marketing at points of sales outlets and towards consumers will also remain important in 2011.

As for now, Accell Group anticipates market dynamics in 2011 to remain high. As in previous years, there will be more shifts in consumer demand throughout the season. The fact that its brands operate close to their markets, allows Accell Group to adapt relatively quickly to consumer wishes. The willingness of dealers to build up own inventories will remain low for the time being, because of assumed good availability on the supplier side. These circumstances require more organizational flexibility in order to realize further growth of results.

Further increases in scale are important in order to generate benefits in purchasing, production, development and marketing. In 2011, Accell Group will continue to actively search out possible acquisitions that fit within the group's profile and brand portfolio. Acquisitions must be complementary and add value to the group in terms or returns and synergy in the short term.

Outlook

Based on the above developments and barring unforeseen circumstances, Accell Group expects an increase in turnover and result for 2011.

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About Accell Group

Accell Group is active internationally in the mid-range and higher segments of the market for bicycles, bicycle parts & accessories and fitness equipment. The group is leader in the European bicycle market. The market approach is based on the key concepts 'quality', 'innovation' and 'recognisable added value'. For consumers this means a broad and strong portfolio of brands, including international top brands and well-known national brands, often with a long history. Accell Group operates close to the market, largely because of its high added value, numerous innovations, and sells primarily via the specialist retail trade.

Accell Group's best known brands are Batavus, Koga, Sparta, Winora, Hercules, Hai Bike, Ghost, Lapierre, Atala, Redline, Tunturi and XLC. The company has production facilities in the Netherlands, Germany, France, Hungary and Turkey. Accell Group shares are traded on the official market of the NYSE Euronext in Amsterdam and included in the Amsterdam Small Cap Index (AScX).

Accell Group recorded turnover of € 577.2 million in 2010 compared with € 572.6 million in 2009 and net profit of € 36.4 million, compared with € 32.7 million in 2009. Turnover is distributed across the company's key markets as follows: the Netherlands 39%, Germany 25% and France 9%. Other European countries, including Belgium, Denmark, Finland, Austria, Spain and the UK, account for 19% of turnover. The remaining 8% of turnover comes from countries outside Europe, including the US and Canada.

Financial agenda 2011

• Publication of annual report 2010	17 March 2011
• Publication trading update	28 April 2011
• Annual General Meeting of shareholders	28 April 2011
• Ex-dividend	2 May 2011
• Determination of stock dividend exchange rate	19 May 2011
• Payment of dividend	20 May 2011
• Publication of half year results 2011	22 July 2011
• Publication trading update	15 November 2011

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Press conference

Today, 25 February 2011 - Okura Hotel, Amsterdam (Ballroom I), **reception: 9.30 am; start 10.00 am**

Analysts meeting

Today, 25 February 2011 - Okura Hotel, Amsterdam (Ballroom I), **reception: 12.00 noon; start 12.30 pm**

Annexes

- Condensed consolidated profit and loss statement as at 31-12-2010 and data per share
- Condensed consolidated balance sheet as at 31-12-2010
- Condensed consolidated cash flow statement as at 31-12-2010
- Condensed consolidated statement of changes in equity as at 31-12-2010
- Condensed consolidated statement of realised and non-realised results as at 31-12-2010
- Explanatory notes

CONSENDED CONSOLIDATED PROFIT AND LOSS STATEMENT

(amounts in € * 1,000)

	2010	2009
Net turnover	**577,226**	**572,573**
Cost of raw materials and auxiliary materials	(373,859)	(366,946)
Staff costs	(76,607)	(73,528)
Depreciation and amortisation	(7,494)	(7,401)
Other operating costs	(72,911)	(74,835)
	(530,871)	(522,710)
Operating profit	**46,355**	**49,863**
Result of participations	75	193
Financial income and expenses	(4,228)	(5,499)
Pre-tax profit	**42,202**	**44,557**
Taxes	(5,822)	(11,817)
Net profit	**36,380**	**32,740**

Earnings per share [1)]

(amounts in €)

Reported earnings per share	3,57	3,30
Weighted average number of outstanding shares	10,192,645	9,928,065
Number of outstanding shares at year-end	10,304,506	10,017,084

[1]) Earnings per share is calculated based upon the weighted average number of oustanding shares.

CONSENDED CONSOLIDATED BALANCE SHEET
(amounts in € * 1,000)

	31 December 2010	31 December 2009
ASSETS		
<u>Fixed assets</u>		
Tangible fixed assets	59,600	61,219
Intangible fixed assets	42,244	42,382
Financial fixed assets	9,538	10,085
<u>Current assets</u>		
Inventories	178,941	137,835
Receivables	92,289	84,932
Liquid assets	1,322	849
TOTAL	**383,934**	**337,302**
LIABILITIES		
Equity	180,392	151,756
Provisions [1)]	23,310	33,137
Long-term debts	51,686	59,836
Credit institutions	50,146	25,812
Other short-term debts	78,400	66,761
TOTAL	**383,934**	**337,302**

[1)] The short term portion of the provisions amounts to € 3,042 and € 11,013 in 2010 and 2009 respectively.

ACCELL GROUP

CONSENDED CONSOLIDATED CASH FLOW STATEMENT
(amounts in € * 1,000)

	2010	2009 [1]
Cash flow from operations		
Operating profit	46,355	49,863
Depreciation and amortisation	7,549	7,401
Share-based payments	399	207
Cash flow from operations before working capital and provisions	54,303	57,471
Movement in working capital and provisions	(37,319)	(1,254)
Operating cash flow	**16,984**	**56,217**
Paid interest	(3,968)	(5,417)
Paid corporate tax	(9,741)	(11,590)
Net cash flow from operations	**3,275**	**39,210**
Cash flow from investment activities		
Received interest	272	248
Movement in fixed assets	(4,605)	(7,484)
Acquisitions subsidiary companies	(60)	(4,841)
Net cash flow from investment activities	**(4,393)**	**(12,077)**
Free cash flow [2]	**(1,118)**	**27,133**
Cash flow from financing activities		
Movements in bank loans and bank credit	8,434	(17,491)
Dividends	(7,593)	(8,711)
Share- and option-based payments	952	(522)
Net cash flow from financing activities	**1,793**	**(26,724)**
Net cash flow	**675**	**409**
Liquid assets as per 1 January	849	640
Effect of currency exchange liquid assets	(202)	(200)
Liquid assets as per 31 December	**1,322**	**849**

[1] The comparable 2009 results are adjusted for the reclassification of the movements in deferred tax receivables and payables.
[2] The free cash flow is defined as the balance of net cash flows of operating and investment activities.

CONSENDED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(amounts in € * 1,000)

	2010	2009
Balance on 31 December previous year	**151,756**	**132,123**
Dividends	(7,593)	(8,711)
Share-based payments	399	207
Other movements	(550)	(4,603)
Net profit current year	36,380	32,740
Balance on 31 December current year	**180,392**	**151,756**

CONSENDED CONSOLIDATED STATEMENT OF REALISED AND NON-REALISED RESULTS

(amounts in € * 1,000)

	2010	2009
Realised net profit	**36,380**	**32,740**
Fair value adjustment financial instruments	(2,414)	(5,419)
Exchange differences foreign activities	398	(49)
Movements deferred taxes	581	1,382
Total of realised and non-realised results	**34,945**	**28,654**

EXPLANATORY NOTES

Principles of valuation and the determination of results

Accell Group N.V.'s annual accounts for the financial year 2010 contain an overview of the applied principles for financial reporting. The principles laid out in this overview are in accordance with the standards laid down by the International Accounting Standards Board (IASB) and approved by the European Commission, as applicable on 31 December 2010. The principles have been applied consistently to the periods presented in this press release.

Application of new and amended IFRS

Accell Group N.V. has applied all the new and amended standards and interpretations applicable to the year under review, which have been laid down by the IASB and approved by the European Commission and which were in force for the period beginning 1 January 2010. The application of the new and amended standards did not result in any change in the reporting standards of Accell Group N.V. in the financial year 2010. Accell Group N.V. has decided not to apply any new or amended standards which came into force after 31 December 2010 prior to that date.

Other

The condensed financial statements presented in this press release have not been audited. For the insight required to arrive at a responsible opinion concerning the financial position and the results of Accell Group N.V., this press release should be read in combination with the annual accounts on which it is based.

Accell Group N.V. will publish its 2010 annual report no later than on 17 March 2011. The annual accounts 2010 will be submitted to the Annual General Meeting of Shareholders for adoption on 28 April 2011.

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