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## PRESS RELEASE

# Accell Group acquires Raleigh Cycle

London (United Kingdom), 26 April 2012.

The Directors of Raleigh Cycle Limited are pleased to announce that they have reached agreement on the sale of Raleigh to Accell Group N.V. There is a very complementary fit between the two businesses, with very little geographical overlap; in particular Raleigh will immediately give Accell Group a major presence in the UK, the USA and Canada (where Raleigh operates its own production facility). The two businesses also share the same management values and a similar decentralised management structure.

Raleigh operates in the UK, USA and Canada, along with worldwide licensing activities and a sourcing arm in Asia. Its best known global brands are Raleigh and Diamondback. Accell Group values Raleigh at a company value (including average debt) of some €76 million (\$100 million). The acquisition price for the Raleigh shares is approximately €60 million.

Raleigh's management team intends to stay on after the acquisition, CEO Alan Finden-Crofts will stay at least another 6 months.

By acquiring Raleigh, Accell Group expects to realise significant potential synergies in the fields of supply chain, sourcing activities in Asia, purchasing advantages through economies of scale and intensified distribution of the brands of Accell Group and Raleigh in their respective markets. The closing of the Acquisition is subject to approval of the German competition authorities and is expected to occur at the end of May 2012.

### **Alan Finden-Crofts, CEO of Raleigh Cycle Limited:**

*"I am delighted with the conclusion of the sale of Raleigh to Accell Group. As talks progressed with the various interested parties earlier this year, Accell Group emerged as the clear preferred buyer for the business, given the highly complementary product range and geographic presence of the two businesses. In Raleigh, Accell Group is acquiring a true global brand with 125 years of heritage and distribution into over 140 countries worldwide and I am entirely confident that Raleigh has found the ideal buyer to support the employees, customers, suppliers and the future growth of the business."*

**Steve Meineke – MD Raleigh America:** *"Accell Group's acquisition is a testament to the strength and momentum of the Raleigh and Diamondback brands in North America and our management team. Accell Group's strategic ownership and backing is good news for our dealers, and will further enhance the advanced product offerings we have in place for utility cyclists, cause riders and support our successful local dealer and event programs"*.

**René Takens, CEO of Accell Group:** *“We are very pleased with the acquisition of Raleigh, another milestone for our company. Acquiring Raleigh adds a strong traditional and global brand with a rich heritage to our brand portfolio and with the Diamondback brand we strengthen our position in the mountain bike and BMX segment. We also strengthen our position in bicycle parts & accessories in North America and the United Kingdom improving Accell Group’s global competitiveness in this field. The acquisition will expand our activities to new geographical markets while benefiting from purchasing advantages through increased economies of scale. We have great confidence in Raleigh’s management team and will fully support future growth of Raleigh within our group.”*

### **About Raleigh**

Raleigh is a leading and well-known global bicycle brand which was founded 125 years ago. In addition to its core bicycle offering, Raleigh also markets a wide variety of parts and accessories under several proprietary and third party brand names. In Asia, it operates an in-house service company which acts as a sourcing agent and supply partner for Raleigh’s internal business units as well as for third-party bicycle companies. Its products are distributed primarily through the independent bicycle dealers, mass merchant and specialty sporting goods retail markets.

Raleigh’s best known brands are Raleigh, Diamondback and its parts and accessories brand, Avenir.

Raleigh operates through five decentralised business units:

- Raleigh US: supply of bicycles and parts & accessories ([www.raleigh.usa.com](http://www.raleigh.usa.com));
- Raleigh UK: supply of bicycles and parts & accessories ([www.raleigh.co.uk](http://www.raleigh.co.uk));
- Raleigh Canada: production and supply of bicycles ([www.raleigh-canada.ca](http://www.raleigh-canada.ca));
- Raleigh DTC: sourcing organisation in Asia; and
- Raleigh Licensing: global licensing revenues.

Raleigh is main sponsor of the professional UCI Continental road race team TeamRaleigh ([www.teamraleigh.co.uk](http://www.teamraleigh.co.uk)).

Raleigh employs approximately 430 employees. Raleigh expects to realize annualised revenue of approximately € 200 million and an annualised EBITDA of approximately 4%. Geographically revenues are split between Europe (43%), North America (48%) and the rest of the world (9%). Across the globe, Raleigh sold approximately 850,000 bicycles in 2011.

**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 a leader in the European bicycle market.

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 €628.5 million in 2011 compared with €577.2 million in 2010 and net profit of €40.3 million, compared with €36.4 million in 2010. Turnover is distributed across the company's key markets as follows: the Netherlands 34%, Germany 28% and France 9%. Other European countries, including Belgium, Denmark, Finland, Austria, Spain and the UK, account for 20% of turnover. The remaining 9% of turnover comes from countries outside Europe, including the US and Canada.

**Financing of the acquisition**

Accell Group intends to finance the acquisition with a combination of debt and equity financing. Accell Group has secured debt financing from Rabobank to finance the full acquisition price and related transaction costs.

**Advisors**

Cavendish Corporate Finance is acting as financial advisors to Raleigh.

ABN AMRO and Kempen & Co are acting as financial advisors to Accell Group with regard to the Acquisition. Houthoff Buruma is acting as legal advisor to Accell Group.

**For further information:**

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