PRESS RELEASE

Number of pages: 13

Accell Group operating profit up 29% in first half year

Heerenveen (the Netherlands), 24 July 2015 – Accell Group N.V. booked operating profit of € 49.1 million in the first half of 2015, an increase of 29% from the € 38.2 million recorded in the first half of 2014. Net profit was up 21% at €31.9 million (H1 2014: € 26.3 million excluding non-recurring items). Turnover was up 13% at € 573.8 million (H1 2014: € 506.2 million). The organic increase in net turnover came in at 11%, largely on the back of higher sales of electric bicycles and sports bicycles in the higher segment of the market.

René Takens, Chairman of the Board of Directors of Accell Group: "*We recorded a positive development of turnover and profit in the first half of 2015, which included a spring season that was not particularly cold but did see a great deal of rain and wind in Europe. We are clearly benefiting from our leading position in the field of electric bicycles, which now represent 34% of our turnover. We are ahead of the field in technological innovations and the introduction of new Haibike performance E-bikes and Sparta and Haibike E-speed bikes, both of which new products have the clear potential to further boost our organic growth in the years ahead. Turnover in bicycle parts and accessories also increased, both organically and as a result of the acquisitions of Comet and CSN. Targeted acquisitions have in the recent years contributed to our current position as one of the main European suppliers in this field. The reorganisation and repositioning operation in North America is progressing well. We have boosted our position among multi-sports chains, with our brand Diamondback, as well as through the introduction of our German brand Ghost. In the traditional American bicycle retail trade (IBD) we were confronted with tough conditions and the performance of Raleigh and our bicycle parts and accessories were below expectations.*
Barring unforeseen circumstances, we expect an increase in turnover and result in the second half of 2015."

Turnover per country / region
(amounts x € million)

Netherlands	135	-3%
Germany	134	+15%
North America	81	+24%
Rest of Europe	204	+24%
Other countries	20	-2%
Total	**574**	**13%**

Turnover per segment

Bicycles	433	+12%
Parts & accessories[1]	141	+19%
Total	**574**	**13%**

[1] Turnover parts & accessories includes turnover fitness equipment

Bicycles

In het bicycles segment, turnover came in 12% higher at € 432.7 million in the first half of 2015 (H1 2014: € 387.7 million). The total number of bicycles sold came in at 985,000 in the first half of 2015 (H1 2014: 1,018,000). The average sales price was influenced by the greater proportion of electric bicycles and more expensive sports bicycles in turnover and increased by 16% to € 439 in the first half of 2015 (H1 2014: € 380). The segment result rose to € 46.3 million (H1 2014: € 37.2 million).

Turnover from electric bicycles increased by 20%, largely due to strong growth in Germany. Turnover from traditional bicycles was up 4%, while turnover from sports bikes increased by 8%.

Provisional market figures from the retail trade organisation suggest that the market in **the Netherlands** declined by 7% in the first half year, in terms of the number of bicycles sold. This decline in volume was partly offset by higher sales of electric bicycles, which are generally more expensive than traditional bicycles. The number of bicycles Accell Group sold in the Netherlands declined by 5%. Sales of Accell brand electric bicycles by specialist retailers to consumers came in slightly higher. Accell Group is the absolute market leader in electric bikes in the Netherlands, with the brands Batavus, Koga and Sparta. The best-selling electric bicycle is the Batavus Milano. Sparta recorded the highest number of E-speed bike sales in the Netherlands. Accell Group completed the reorganisation in the Netherlands and the merger of the production of bicycles for Batavus and Sparta in Heerenveen in the first half of the year.

Turnover from bicycles in **Germany** increased by 22% organically compared with the first half of 2014, largely due to solid sales of Haibike performance E-bikes. Demand for this relatively new and special category of electric bicycles saw continued strong growth. Accell Group is trendsetter and market leader in this field in Europe. Growth in sports bicycles in the higher segment also continued among others due to solid sales of Ghost bikes.

In the **Rest of Europe,** turnover increased largely on the back of Haibike's growth. The key countries are France, Belgium, Switzerland, Austria and the United Kingdom. In Scandinavia and Italy, turnover also increased largely due to higher sales of electric bicycles.

In **North America,** turnover in dollars was up 2%. Bicycles sales of the Diamondback brand increased due to deliveries to multi-sports chains, while the newly-introduced German brand Ghost also made a solid contribution to turnover growth in this sales channel. Turnover of Raleigh brand bicycles to specialist retailers declined, partly due to competition from internet sales. The focus for the Raleigh brand is on renewed brand positioning. Accell Group will also adjust its North American sales organisation. Sales of the electric bicycles that were introduced this year were higher, but this segment remains modest for now.

Turnover in **Other countries** outside Europe represents 3% of overall turnover. About half of this is realised in Turkey, where turnover did increase in the first half of the year. The remaining turnover was recorded largely in Asian countries and in Australia.

Bicycle parts and accessories[2]

Turnover in the segment bicycle parts and accessories came in 19% higher at € 141.1 million (H1 2014: € 118.5 million). Turnover from Accell Group's own brands (including XLC, Raleigh and Diamondback) saw continued growth and was up 17%.

Of the turnover growth in this segment, 11% came from the acquisition of Comet (Spain) and CSN (Denmark). These recent acquisitions contributed to the 21% increase in turnover in Europe. In the bicycle parts and accessories segment, Accell Group now has key positions in virtually all European countries and in North America. The segment result came in at € 10.3 million (H1 2014: € 7.8 million).

Turnover in **the Netherlands** came in higher, largely on the back of Accell Group's own XLC brand and a rise in demand for accessories and replacement parts for electric bicycles. Accell Group completed the relocation of the parts and accessories warehouse from Veenendaal to Apeldoorn, including the introduction of an entirely new automated warehouse, in the first half of the year. In **Germany**, **Accell** group has a strong market position with Wiener Bike Parts and this country also saw an increase in turnover. Turnover from parts and accessories in **North America** fell slightly (in dollars) in the first six month of the year. Accell Group has a distribution function in North America. Many of the larger suppliers have now opted to deliver their products directly to the retail trade, internet sellers or even directly to consumers, and no longer use distributors. As a result, in North America Accell Group will focus on the sale of the parts and accessories produced by its own brands XLC, Raleigh and Diamondback, together with a limited number of additional product lines. Sales will be to bicycle retail trade, multi-sports chains and webshops. Turnover also increased in the **Rest of Europe,** in which the United Kingdom and France are the main countries for Accell Group. Sales of parts and accessories in **Other countries** outside Europe remain limited.

Group turnover and results

Net turnover in the first half of 2015 came in 13% higher at € 573.8 million (H1 2014: €506.2 million). The effect of currency exchange on the North American, United Kingdom and Turkish turnover was plus € 22.7 million (H1 2014: - € 7.3 million). Acquisitions had an impact of 2% on turnover growth.

Absolute **added value rose by** 16% to € 180 million (H1 2014: € 155 million). The added value (net turnover minus cost of materials and inbound transport costs) as a percentage of turnover came in at 31.4% (H1 2014: 30.6%). Improvements in underlying margins and sales mix had an impact on the added value in the first half. In addition, Accell Group had to sell fewer bicycles from the previous season at a discount and the adverse effects of additional currency purchases (in particular due to the more expensive dollar) were limited.

Operating expenses increased by 12% to € 130.9 million, with 4% of this due to exchange rate effects. As a percentage of turnover, expenses came in at 22.8% in the first half of 2015 (H1 2014: 23.0%). The increase in expenses is partly due to the higher turnover and partly due to an increase in spending for marketing and product development.

[2] Following the sale of the Tunturi Fitness activities in August 2014, Accell Group only sells fitness equipment on a limited scale. Sales are made via the pan-European bicycle parts and accessories network and the turnover is therefore also allocated to this segment as from these interim results. The comparable figures shown for the first half of 2014 have been adjusted accordingly.

Operating profit increased by 29% on the back of organic turnover growth, acquisitions and margin improvements. Operating profit came in at € 49.1 million (H1 2014: € 38.2 million), which translates into an operating margin (EBIT) of 8.6% (H1 2014: 7.5%).

Financing costs increased due to currency exchange effects and a slight increase, on average, in the use of credit lines. Average interest rates were slightly lower in the first half year when compared with the first half of 2014.

Taxes were up at € 11.7 million (H1 2014: € 6.8 million) due to the strong growth in profits from Germany and the limitation of deferred taxes in North America. This resulted in an increase in the average tax rate to 27% (H1 2014: 21%).

Net profit excluding non-recurring items came in 21% higher at € 31.9 million in the first half of 2015 (H1 2014: € 26.3 million). The first half of 2014 included non-recurring income of € 1.2 million, which means the increase in net profit including non-recurring items was 16%. Net earnings per share came in at € 1.28 in the first half of 2015 (1st half 2014: € 1.12).

Financial position

The **balance sheet total** at 30 June 2015 was 11% higher at € 671.4 million (30 June 2014: € 602.8 million), with 6% of this due to currency exchange effects. The acquisitions of Comet and CSN accounted for 4% of the increase in the balance sheet total. Working capital (inventories and receivables, less accounts payable) stood at € 313.7 million (30 June 2014: € 274.2 million). As a ratio of turnover, working capital amounted to 33% (1st half 2014: 33%).

As of 30 June 2015, **Inventories** were € 24.4 million higher compared with end-June 2014, largely due to currency exchange effects (€ 10 million) and the impact of acquisitions (€ 11 million). At end-June 2015, the number of bicycles in stock was unchanged from the previous year, but they represent a 7% higher average cost price. **Trade receivables** were up € 19.0 million compared with 30 June 2014 due to the growth in turnover, the effect of acquisitions (€ 5 million) and currency exchange effects (€ 7 million). **Accounts payable** increased by € 4.1 million.

Total **net bank debt** stood at € 159.6 million as per 30 June 2015 (30 June 2014: € 134.4 million), with the increase for the largest part due to currency exchange effects. Shareholders' equity stood at € 302.8 million as per 30 June 2015. The cash component of the dividend that was charged to the equity in May amounted to € 8.7 million (2014: € 7.2 million). The **solvency ratio** stood at 45% at end-June 2015 (30 June 2014: 44%).

Operating **cash flows** before working capital and provisions came in at € 37.3 million (H1 2014: € 32.0 million). The cash flow from working capital excluding acquisitions was minus € 21.7 million (H1 2014: € 4.6 million). Net cash flows from operating activities declined to € 15.5 million (H1 2014: € 36.6 million).

There were no material changes with regard to the risks and uncertainties described in the 2014 annual report.

Outlook

Also in the second half of 2015, the strong collection of innovative bicycles and Accell Group's leading position in the electrical bicycles segment are drivers for continued turnover growth. Macro-economic developments, consumer confidence and the weather all have an impact on Accell Group's financial results. For the second half of 2015, Accell Group expects to see the positive underlying trends to continue. On that basis and barring unforeseen circumstances, Accell Group expects an increase in turnover and result for the second half of 2015.

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About Accell Group

Accell Group focuses internationally on the mid-range and higher segments of the market for bicycles and bicycle parts & accessories. The company has leading market 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 in terms of revenue. Accell Group's best known brands are Batavus (Netherlands), Sparta (Netherlands), Koga (Netherlands), Loekie (Netherlands), Ghost (Germany), Haibike (Germany), Winora (Germany), Raleigh and Diamondback (UK, US, Canada), Lapierre (France), Tunturi (Finland), Atala (Italy), Redline (US) and XLC (international).

Accell Group and its subsidiaries employ approximately 2,800 people worldwide in eighteen countries. The company has production facilities in the Netherlands, Germany, France, Hungary, Turkey and China. Products of Accell Group are sold in more than seventy countries. The headquarters of the company are located in Heerenveen (the Netherlands). The Accell Group shares are traded on the official market of Euronext Amsterdam and are included in the Amsterdam Smallcap-index (AScX). In 2014, Accell Group realized a profitable turnover of € 882 million.

Press conference

Today, 24 July 2015 – Okura Hotel (Otter Esperance room) Amsterdam, **reception: 9.30 am; start 10.00 am**

Analyst meeting

Today, 24 July 2015 – Okura Hotel (Otter Esperance room) Amsterdam, **reception: 11.00 am; start 11.30 am**

For further information

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Financial agenda 2015

- Publication trading update 17 November 2015

Annexes

- Condensed consolidated profit and loss statement as at 30-06-2015 and data per share
- Condensed consolidated balance sheet as at 30-06-2015
- Condensed consolidated cash flow statement as at 30-06-2015
- Condensed consolidated statement of changes in equity as at 30-06-2015
- Condensed consolidated statement of comprehensive income as at 30-06-2015
- Explanatory notes

CONDENSED CONSOLIDATED PROFIT AND LOSS STATEMENT [1)]

(amounts in € 1,000)

	H1 2015	H1 2014
Net turnover	**573,769**	**506,168**
Cost of raw materials and components	(393,769)	(351,442)
Personnel costs	(61,993)	(55,863)
Depreciation	(5,195)	(4,324)
Other operating expenses	(63,681)	(56,353)
	(524,638)	(467,982)
Operating profit	**49,131**	**38,186**
Income from non-consolidated subsidiaries	0	0
Financial income and expenses	(5,573)	(5,105)
Profit before taxes	**43,558**	**33,081**
Taxes	(11,686)	(6,782)
Net operating result	**31,872**	**26,299**
Non-recurring income and expenses	0	1,247
Net profit	**31,872**	**27,546**

Earnings per share [2)]

(amounts in €)

Earnings per share	1.28	1.12
Weighted average number of outstanding shares	24,959,617	24,503,435
Number of outstanding shares as per 30 June	25,270,327	24,864,956

[1)] The figures mentioned in this half-year report have not been audited.
[2)] Earnings per share are calculated based upon weighted average number of outstanding shares.

CONDENSED CONSOLIDATED BALANCE SHEET

(amounts in € 1,000)

	30 June 2015	31 December 2014	30 June 2014
ASSETS			
Non-current assets			
Property, plant and equipment	67,523	68,071	65,510
Intangible assets	113,350	106,611	92,996
Non-current financial assets	17,524	17,105	17,831
Current assets			
Inventories	251,825	244,457	227,377
Receivables	203,035	172,872	183,077
Cash and cash equivalents	18,152	13,529	15,985
TOTAL	**671,409**	**622,645**	**602,776**
EQUITY AND LIABILITIES			
Equity	302,847	275,911	266,983
Provisions [1)]	29,635	30,090	28,724
Long-term debts	64,859	70,865	80,329
Credit institutions	112,858	94,971	70,041
Other current liabilities	161,210	150,808	156,699
TOTAL	**671,409**	**622,645**	**602,776**

[1)] Provisions include both non-current and current part of the provisions.

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

	H1 2015	H1 2014
Cash flows from operating activities		
Net profit	31,872	27,546
Depreciation	5,195	4,324
Share-based payments	205	141
Operating cash flows before working capital and provisions	**37,272**	**32,011**
Changes in working capital and provisions	(21,745)	4,617
Net cash flows from operating activities	**15,527**	**36,628**
Cash flows from investing activities		
Changes in property, plant and equipment	(3,974)	(3,558)
Disposals of assets held for sale	0	21,041
Business combinations	(1,814)	0
Net cash flows from investment activities	**(5,788)**	**17,483**
Free cash flows [1)]	**9,739**	**54,111**
Cash flows from financing activities		
Changes in bank loans and bank overdrafts	2,916	(46,814)
Stock and option plans	(12)	(53)
Cash dividend	(8,654)	(7,238)
Net cash flows from financing activities	**5,750**	**(54,105)**
Net cash flows	3,989	6
Cash and cash equivalents at 1 January	13,529	15,907
Effects of exchange rate changes on cash and cash equivalents	634	72
Cash and cash equivalents at 30 June	18,152	15,985

1) Free cash flows is defined as the balance of net cash flows from operations and investment activities.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(amounts in € 1,000)

	2015	2014
Balance as at 31 December prior year	**275,911**	**239,983**
Dividends	(8,650)	(7,233)
Share-based payments	205	141
Other movements	3,509	6,546
Net profit current year	31,872	27,546
Balance as at 30 June current year	**302,847**	**266,983**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(amounts in € 1,000)

	H1 2015	H1 2014
Net profit for the year	**31,872**	**27,546**
Fair value adjustments financial instruments	(6,003)	6,459
Exchange differences foreign activities	8,091	1,669
Movements in deferred taxes	1,437	(1,524)
Total comprehensive income for the year	**35,397**	**34,150**

EXPLANATORY NOTES

Principles of valuation and determination of results

This interim financial information pertaining to the period ending on 30 June 2015 has been drawn up in accordance with IAS 34 Interim Financial Reporting. We refer to the financial statements of financial year 2014 for the principles of valuation and the determination of results (see the Accell Group N.V. 2014 annual report or www.accell-group.com). These principles are applied to the financial report in this interim report.

This interim report does not contain all the information that is required for full financial statements and should therefore be read in conjunction with the Accell Group N.V. consolidated financial statements 2014. This interim report has not been audited.

Seasonal influences

The operations of Accell Group N.V. are subject to seasonal influences. In general, more turnover is generated in the first half of the calendar year than in the second half of the calendar year. The seasonal pattern is a result of the weather influence on the sale of products delivered by Accell Group N.V.

Segment information

Because of the sale of a substantial part of the fitness activities in the second half of 2014, segment reporting is further divided in Bicycles and Parts & accessories. The fitness activities are now included in the segment Parts & accessories.

The Bicycles segment has booked a net turnover of € 432.7 million in the first half-year of 2015 (2014: € 387.7 million). Up to and including June 2015, the segment result of Bicycles was € 46.3 million (2014: € 37.2 million). In the first half-year of 2015, the Parts & accessories segment has booked a net turnover of € 141.1 million (2014: € 118.5 million). The segment result of Parts & accessories was € 10.3 million for the first half-year of 2015 (2014: € 7.8 million).

Non-allocated costs and financial income and expenses have been deducted for the purpose of aligning the total of the segment results with the result before taxes of Accell Group N.V. The non-allocated costs amount to € 7.4 million (2014: € 6.9 million) and the financial income and expenses amount to € -/- 5.6 million (2014: € -/- 5.1 million).

Business combinations

In January 2015, Accell Group acquired 100% of the shares in Cycle Service Nordic ApS (“CSN”) in Odense, Denmark. CSN is a distributor of bicycle parts and accessories in Scandinavia. The figures of CSN are consolidated as of 1 January 2015. The transactions have been accounted for by the purchase method of accounting.

The provisional acquired net assets consist of the following (in € 1.000):

	Fair value on acquisition	Fair value adjustments	Carrying amount
Non-current assets	789	497	293
Other assets	6,585	486	6,099
Cash and cash equivalents	228	-	228
Other liabilities and acquisition obligations	(6,169)	(1,306)	(4,864)
	1,434		
Goodwill	608		
Cash and cash equivalents acquired	(228)		
Net investment cash flow	**1,814**		

Taxes

In the interim financial information, taxes have been included in the profit and loss account on the basis of the estimated weighted average applicable nominal corporate tax rate.

Outstanding shares

The number of outstanding shares as of 31 December 2014 was 24,864,956. In connection with the granting of provisionally assigned shares to the Board of Directors and a number of directors, the number of outstanding shares increased by 6,669 shares. Mid-May 2015, the dividend for the financial year 2014 was paid, for which 398,702 shares were issued and added to the outstanding share capital. As per 30 June 2015, the number of outstanding shares amounted to 25,270,327; the weighted average number of outstanding shares amounted to 24,959,617 over the first half-year of 2015. The company has a long-term bonus plan for the Board of Directors and a number of directors. The full exercise and respective appropriation of the share and option rights granted to date would increase the number of issued shares by 0.6%.

Dividend

At the Annual General Meeting of shareholders held on 23 April 2015, the dividend for the financial year 2014 was determined at € 0.61 per share, or a stock dividend. Following the expiration of the option period, it appeared that 43% of the shareholders had opted for a stock dividend. As per 20 May 2015, € 8,654,000 in cash dividend was paid and 398,702 shares were issued and added to the outstanding share capital.

Related party transactions

Intercompany transactions and balances between Accell Group N.V. and its subsidiaries are eliminated in the consolidation. The sum of the transactions with related non-consolidated companies was approximately € 3 million.

Off-balance obligations

The off-balance obligations, as included in the financial statements 2014, have not significantly changed during the first half-year of 2015.

Statement of the Board of Directors

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 organisation. Such a system does not provide absolute certainty that objectives will be realised. 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, as well as based on the audit of the financial statements by the auditor, the Board of Directors state that as far as they are aware, the financial report as included on pages 1 up to 5 of this report provide 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 7 to 10 of this report provide a true representation of the information as required under article 5.25d paragraph 8 and 9 of the Financial Supervision Act ("Wft").

R.J. Takens, CEO
H.H. Sybesma, CFO
J.M. Snijders Blok, COO
J.J. Both, CSCO

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