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EANS-News: Derby Cycle AG: Direct sales launched in the United Kingdom

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Strategic management decisions

Subtitle: Further push to internationalisation strategy / Additional growth potential in UK through directly addressing specialist wholesalers/retailers

Cloppenburg (euro adhoc) - Thursday, July 21, 2011 - Derby Cycle AG (ISIN DE000A1H6HN1, WKN A1H6HN), Germany's largest bicycle manufacturer in terms of sales, has launched direct sales of its products in the United Kingdom, and is discontinuing the exclusive sale of the FOCUS brand through a UK distributor.

With immediate effect, Derby Cycle will start to address specialist wholesalers and retailers directly, thereby tapping further growth potential in the UK. For this purpose, the company has set up an experienced sales team that is familiar with the local market, and is thereby continuing to consistently pursue its internationalisation strategy in the United Kingdom. Chris Needs, a sales professional with 24 years of experience on the British market, will lead the team as Head of Sales UK.

Mathias Seidler, CEO of Derby Cycle AG, commented on the company's advancing internationalisation as follows: "A volume of around 3.7 million bicycles generates around EUR 800 million of sales per year in Great Britain. The British market is benefiting particularly from the Congestion Charge that has been introduced in London, as well as from specific subsidised programmes such as the "Cycle to Work" initiative, which provides financial support when individuals purchase bicycles."

Uwe Bögershausen, CFO of Derby Cycle AG, went on to add: "Along with electric bicycles, our FOCUS brand, which comprises our sports products segment, forms one of Derby Cycle's key international growth drivers. We will continue to endeavour to further strengthen and expand our direct sales in the future. The internationalisation strategy that we presented at the time of the IPO continues to gather form as a consequence."

Company profile:

Derby Cycle is Germany's largest bicycle manufacturer in terms of revenues, and one of the leading manufacturers in Europe. In particular, global demand growth for high-quality electric and sports bicycles, as well as the company's advancing internationalisation in all European volume markets, are reflected in the company's dynamic growth. Derby Cycle's product range comprises electric bicycles, sports bicycles for leisure and competition purposes, as well as comfort bikes for everyday and travel use. These bicycles are sold through the established Kalkhoff, Focus, Raleigh, Univega and Rixe brands. All models are developed and assembled at the company's base in Cloppenburg, Germany. These high-quality products are distributed through specialist retailers who provide their customers with professional advice and extensive service.

With an around 550 employees, Derby Cycle achieved revenue of EUR 173 million in the 2009/2010 and financial year, 72.6 percent of which was generated in Germany, and 27.4 percent abroad. Earnings before interest and tax (EBIT)

amounted to approximately EUR 12 million. Derby Cycle sold a total of around 430,000 bicycles, of wet leadership in 2010 with a 20 percent market share. The company forecasts revenues of EUR 220 million to 240 million, and an EBIT margin of 8 to 9 percent (2009/10: 7.0 percent) for the 2010/11 financial year that ends on September 30, 2011.

Further information is available at: www.derby-cycle.com

Brand profile - FOCUS:

FOCUS forms the sports product segment of Derby Cycle AG, and offers demanding professional and leisure cyclists high-quality racing bikes, mountain bikes, trekking bikes and triathlon bikes. Along with engineers and scientists, former and active cycling professionals participate in the development process in order to adapt the bicycles to target group needs.

FOCUS is fully committed to professional cycling at high-performance level. For this reason, it equips one of the world's best professional cycling teams, as well as ambitious amateurs, with first-class material.

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