

## Shimano Takes Over Polish Distributor

NUNSPEET, The Netherlands - Shimano Europe has acquired its Polish distributor of bicycle components, R & P Pawlak, located in Poznan.

In a press release Shimano Europe said "Beside the fact that because of economic growth and increasing interest in cycling the consumption of bicycles and components has shown positive development, in the recent years bicycle production in Poland has developed more and more as a central supply source for bicycles in West Europe and has become the manufacturing base for several Asian companies as well. "Additionally, it is well known that within

Europe Poland is considered as a gate to the territory of Belarus and Russia where we expect a further development of bicycle consumption as well as manufacturing."

The final contract was signed on the 17th of December. Shimano said all staff of R & P Pawlak will be taken over and the current management will remain in place for the coming period.

Shimano's statement continued: "We appreciate the efforts that Richard Pawlak and his team have put into building the Shimano brand in Poland over the past years and we are looking forward to a good future cooperation with them."

## Stenman Holland Acquires De Woerd

VEENENDAAL, The Netherlands - Stenman Holland BV, manufacturer of locks and lighting sets for bicycles, has taken over De Woerd BV, the Dutch maker of chain guards. With this takeover Stenman Holland is able to expand its range of bicycle components and accessories and with that enhance its position at bicycle manufacturers and distributors on the national and international markets.

De Woerd and Stenman Holland share for the biggest part the same customers. One of Stenman Holland's objectives with this takeover is to grow De Woerd on its export markets. For that De Woerd will keep its identity and will be operated as a separate company like the Basta Group A/S that is also owned by Stenman Holland. De Woerd BV develops and produces plastic bicycle components, mainly chain cases, chain guards and clothing protectors for OEM and aftermarket. The family enterprise, originally a shoe factory, was founded in 1919 in Barneveld, the Netherlands. The company recently modernized its injection moulding department. De Woerd has seven injection moulding presses ranging from 25 to 350 ton, covering a major part of its total production. The company employs 38 people and its yearly turnover is esti-



Stenman CEO Cees Oosterhoorn Photo Bike Europe

mated at about € 6 million. Stenman Holland employs about 450 people and manufactures metal products divided into two ranges: builders hardware & bicycle components and accessories. The builders hardware range includes products such as hinges, casement stays & door locks. Bicycle components and accessories include ring, U-bar & cable locks and lighting equipment such as dynamos, front lights and electronic rear lights. The company has production facilities in the Netherlands and Poland.

Stenman recently changed its financial structure in which private equity firm Bencis Capital and Stenman's management have gained 100% of the shares. In a September 2007 press release on these changes Stenman CEO Cees Oosterhoorn said that: "The management team, supported by Bencis, will continue its current strategy of further expansion by growth as well as acquisitions. The new financial structure makes it much easier for us to respond quickly on market developments, for example with acquisitions." The 2007 turnover of the company that is headquartered in Veenendaal, The Netherlands is estimated at about € 100 million

## Michelin Restructures Spanish Plants

PARIS, France - French tyre giant Michelin Group is to restructure and improve the competitiveness of its Spanish plants, under a plan announced in December. The move is expected to result in costs of around € 143 million. Right after this announcement Michelin shares closed down 4% at € 76.32 but recovered afterwards to € 79.35 on 31 December. Compared with the previous month this is only a slight 0.2% drop.

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## New Squeezy Roof Enters Stock Market

MAASTRICHT, the Netherlands - After taking sports nutrition brand Squeezy out of his German based bicycle distribution company ACS Vertrieb GmbH (German distributor of Isaac, LAS, Speedplay, Squeezy) about a year ago, CEO Roger Milenk has created a parent entity for his Squeezy Holding GmbH based in Maastricht, the Netherlands. Squeezy Sport Nutrition NV was founded in September 2007. According to senior shareholder Milenk, this company was successfully listed on the open market of the Frankfurt stock market on 30 November 2007: "The entire ground capital of 12,500,000 shares was sold."

Under the new Squeezy Sport Nutrition NV entity, Squeezy Holding GmbH is overlooking the business of the following four subsidiaries: Squeezy Health GmbH, Squeezy Energy GmbH, Squeezy Nano GmbH and Nuwatec GmbH. While the holding firm has a 100% stake in Squeezy Energy GmbH and Squeezy Nano GmbH, it has a 50% stake in Squeezy Health GmbH and a 66.67% stake in Nuwatec GmbH. Squeezy Sport Nutrition GmbH concentrates on the sport nutrition market, which is showing incredible growth in recent times. Further info is available at [www.squeezy-sports-nutrition.com](http://www.squeezy-sports-nutrition.com).

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2007 was a great year for bike stocks despite disappointing December

## Further Growth Prospects in 2008

**MUNICH, Germany - The expected year-end rally in December for bike stocks failed to materialize, with only three double-digit share price increases and one double-digit decrease.**

**Nevertheless, the Bike Industry stock chart did extraordinarily well over the course of 2007, despite negative conditions including record high prices for raw materials, a financial crisis caused by the US real estate market collapse and several sluggish economy forecasts. All of these circumstances didn't hinder the steady growth of the quoted companies last year.**

By Jo Beckendorff

The performance of bike company shares was rather disappointing in December. Fewer than half - 13 of the 29 listed values - showed increases. Only China's Jinshan Development & Construction (the new parent of Phoenix) as well as India's Atlas Cycle and Tube Investments of India (TII), parent company of TI Cycles of India, showed healthy two-digit increases of 13.9, 29.9 and 19.8%. But past experience tells us that Indian firms often aim for year-end price jumps before dropping back to earth again in the first quarter of the next year. That's exactly what's happened in recent years. And China's Jinshan has yet to prove how it will successfully integrate Shanghai-based bike producer Phoenix into its bicycle business division.

The UK's Tandem Group was the only value in the chart with a double-digit December decrease of 11.1%. But it's more instructive to compare its end of December price with the previous year, which shows that Tan-

dem Group's share price skyrocketed 150.8% over 2007. This was - behind Jinshan (plus 157.1%) - the largest 2007 share increase we have in our chart. The successful restructuring behind this result is backed by a financial half-year report of fiscal year 2007/08. It was published last October. A look over the entire year makes clear that the stock market developed very positively. Compared with the previous year, 20 of our 29 listed companies showed increases. Besides the above-mentioned Tandem Group and Jinshan, China's Shanghai Forever also experienced a three-digit increase (of 132.6%).

It's also obvious that shares of firms in emerging markets such as Brazil, China and India experienced outstanding results. On the other hand the listed shares from the traditional industrial nations of Western Europe, North America and Japan showed only slight price variations. Time will tell when European companies in particular will report sales drops. These will definitely come very soon as a result of the high euro. But

the bigger these companies are and the more they are already established with production and sales in prospering markets such as China and India the better they are able to fight against the upcoming competitors from these emerging markets.

A good example of a company that might be not big enough to compete globally and is mainly dependent on local production is German bike producer Mitteldeutsche Fahrradwerke AG (Mifa in short). With a 54.0% price drop Mifa shares experienced the largest 2007 decrease in our chart. We have to note that Mifa shares were pushed at the end of the previous year (2006) when Biria Group's parent company Lone Star Funds sold Biria assets to Mifa and therefore became minority shareholder in the Sangerhausen-based bike producer. Nevertheless Mifa counts exclusively on Germany and production close to its market. The problem with this strategy is that Mifa isn't counting on any premium brand production, and serves mainly the entry-level market through large mass merchants. These local mass merchants such as Karstadt-Quelle, Kaufhof, Tchibo have deepening problems. It seems that the cruel times of price-driven sales are gone. Mifa might have to pay the bill for the end of this low budget price trend.

What will happen in 2008? We hope that the stock market keeps on going as in 2007, despite high raw material costs and possible financial crises. Nevertheless due to these problems shareholders should be cautious. Investing without setting stop-losses is a no-go.

Company Name	Rate 31-12-2007	Compared to 26-11-2007 (in %)	Company Value* 1-1-2008	52-week- low	52-week- high
Accell Group NV, Amsterdam	€ 24.94	- 5.9	€ 241.50 mn	€ 24.47	€ 38.25
Amer Sports Oyi, Helsinki	€ 18.49	- 2.7	€ 1,85 bn	€ 15.70	€ 21.46
Araya Industrial, Osaka	JPY 257.00	- 7.2	JPY 15.42 bn	n.a.	n.a.
Atlas Cycle Ind. Ltd., Bombay	INR 230.05	+ 29.9	INR 61.87mn	n.a.	n.a.
Bicicletas Caloi S.A. Sao Paulo	BRL 0.51	+ 2.0	BRL 39.10 mn	BRL 0.26	BRL 0.83
Bridgestone Corp., Tokyo	JPY 1,988	- 4.7	JPY 1,57 tn	n.a.	n.a.
Cheng Shin Rubber, Taipei	TWD 52.90	+ 3.1	TWD 60.59 bn	TWD 26.64	TWD 75.40
Continental AG, Frankfurt	€ 88.99	- 0.7	€ 18.74 bn	€ 83.30	€ 111.71
Dorel Ind.Inc., Quebec **	US \$ 30.17	- 2.7	CAN \$ 999.24 mn	US \$ 25.27	US \$ 39.25
Falcon Cycle-Parts Ltd., Taipei	TWD 6.15	- 3.8	TWD 436.82 mn	TWD 4.65	TWD 14.60
Giant Mfg Cy Ltd., Taipei	TWD 71.80	+ 1.1	TWD 18.62 bn	TWD 49.45	TWD 86.50
Halfords Group PLC, London	GBP 305.75	- 3.3	GBP 682.45 mn	GBP 283.00	GBP 414.75
Hwa Fong Rubber ind. Co, Taipei	TWD 8.18	+ 1.1	TWD 2.44 bn	TWD 7.05	TWD 13.10
Ideal Bike Corporation, Taipei	TWD 14.90	- 8.0	TWD 1.42 bn	TWD 9.75	TWD 38.13
Ingersoll-Rand, Co. Ltd. New York	US \$ 46.69	- 9.1	US \$ 12.50 bn	US \$ 38.25	US \$ 56.66
Kenda Rubber Co., Taipei	TWD 22.30	- 6.7	TWD 10.13 bn	TWD 15.73	TWD 38.40
Lee Chi Ent. Ltd., Taipei	TWD 10.00	- 7.0	TWD 1.83 bn	TWD 7.99	TWD 24.90
Merida Ind. Co. Ltd., Taipei	TWD 58.50	- 6.3	TWD 11.75 bn	TWD 32.50	TWD 78.00
Michelin Group, Paris	€ 79.35	- 0.2	€ 11.32 bn	€ 67.75	€ 106.70
Mifa AG., Frankfurt	€ 2.25	+ 1.8	€ 20.64 mn	€ 1.92	€ 6.79
Miyata Ind. Co., Ltd., Tokyo	JPY 138.00	- 5.6	JPY 3.92 bn	n.a.	n.a.
Munjial Auto Ltd., Bombay	INR 103.45	+ 0.3	INR 987.00 mn	n.a.	n.a.
Jinshan Co. Ltd., Shanghai***	US \$ 0.90	+ 13.2	CNY 2.21 bn	US \$ 0.35	US \$ 1.77
Shanghai Forever, Shanghai***	US \$ 1.07	+ 9.2	CNY 2.01 bn	US \$ 0.45	US \$ 1.83
Shimano Inc, Tokyo	JPY 4,050	+ 3.6	JPY 394.44	n.a.	n.a.
Sunrace Co. Ltd., Taipei	TWD 6.43	- 5.4	TWD 355.37 mn	TWD 5.01	TWD 17.08
Tandem Group PLC, London	GBP 15.05	- 11.1	GBP 5.73 mn	GBP 6.00	GBP 21.00
Tsunoda C. Ltd. Tokyo	JPY 223.00	- 1.3	JPY 1.27 bn	n.a.	n.a.
Tube Investments of India Ltd.	INR 80.95	+ 19.8	INR 14.08 bn	n.a.	n.a.

\* Source: Wright Investors' Service, Inc.

\*\* Canadian Dorel rates are in US \$ because we take them from NASDAQ but company value in CAN \$

\*\*\*Jinshan & Shanghai Forever rates in US \$, company value in CNY

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The Bike Industry Stock Chart

## Amer Sports (Mavic): 3Q Results and New Business Structure

HELSINKI, Finland - After management restructuring and redefining its business segments, Amer Sports Group of Finland released its first financial result statement in line with the group's new organizational structure. 3Q net sales 2007 reached € 462.8. Compared with 3Q sales of the previous year this is a 1.9% decrease. For the first nine months of business year 2007 Amer Sports reached total net sales

of € 1,154.9 million. Compared with the first three third quarters 2006 this is a 4.6% decrease - not too bad given the catastrophic winter of 2006/07. Due to this "no-winter" Amer Sports had to withdraw its 2007 forecast twice. For 2008 the Finnish sporting goods giant expects better results.

Amer Sports new business structure consists of 'Winter & Outdoor' (including the

brands Atomic, Bonfire, Salomon, Mavic-Adidas Cycling and Suunto), 'Ball Sports' (Wilson brand) and 'Fitness'. The Winter & Outdoor segment had a negative operating margin (EBIT) of 14.3% in the first nine months of 2007. Total revenues amounted to € 525.2 million including € 83.7 for cycling (Mavic).

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