Beter Bed Holding

BETER BED HOLDING N.V.

PRESS RELEASE

HALF-YEAR FIGURES 2012

Uden, the Netherlands, 30 August 2012

In the event of any differences in interpreting the half-year figures, the Dutch version shall prevail.

Contents

1. Interim report

Beter Bed posts lower profit as revenue rises for first half of 2012

- **Revenue up 5.8% to € 196.3 million (first half 2011: € 185.5 million)**
- **German revenue up 9.9%; Dutch revenue down 1.5%**
- **Gross profit as a percentage of revenue in line with same period last year**
- **Operating profit: € 12.9 million (first half 2011: € 14.3 million)**
- **Net profit: € 9.1 million (first half 2011: € 10.6 million)**

Beter Bed Holding N.V. posted net profit of € 9.1 million for the first six months of 2012 – down 14.0% from the same period last year (first half 2011: € 10.6 million). Net profit for the second quarter of 2012 dropped by € 1.4 million to € 0.2 million.

Key half-year figures

(in millions of € unless stated otherwise)	**2012 H1**	**2011 H1**	**Change**
Revenue	196.3	185.5	5.8%
Gross profit (%)	55.8	55.9	
EBIT	12.9	14.3	(9.9%)
Net profit	9.1	10.6	(14.0%)
Earnings per share (in €)	0.42	0.49	(14.3%)
Operating cash flow	10.3	7.0	47.1%
	30-6-2012	**30-6-2011**	
Solvency (%)	50.6	53.7	

Ton Anbeek, Chief Executive Officer:
'We've witnessed increasingly cautious consumer behaviour in virtually all our markets, triggered by the continuing economic uncertainty across Europe. During the first half of 2012 this resulted in a lower number of visitors and lower visitor expenditure, especially in the Netherlands and Spain. Fortunately, the German market has been bucking this trend. Revenue at our German stores increased by almost 10% during the first half of 2012, with revenue at comparable stores increasing by 5%. At our Dutch stores, the 7% increase in the number of stores was unable to fully offset the 5% decline in revenue at comparable stores. The 18% drop in revenue at comparable stores in the Spanish market prompted to a number of changes in the organisation and the store base. Despite the lower prices caused by negative sentiment in Spain, the Netherlands and other countries, we have managed to maintain total gross profit at virtually the same level as 2011. In addition, we have also again gained market share in all markets and have opened yet more new stores in recent months. Our solid balance sheet and healthy cash flow enable us to continue investing in our stores.'

Key second-quarter figures

(in millions of €)	2012 Q2	2011 Q2	Change
Revenue	87.8	84.1	4.4%
Gross profit (%)	55.8	55.7	
EBIT	0.6	2.4	(76.3%)
Net profit	0.2	1.6	(87.2%)

Second quarter 2012

Revenue at comparable stores in Germany increased by 2.8% in the second quarter and declined by the same rate at our Dutch stores. For the group as a whole, revenue at comparable stores dropped by 0.6% during the second quarter.

Total revenue increased by 4.4% to € 87.8 million during the second quarter (second quarter 2011: € 84.1 million). At 55.8%, gross profit for the second quarter of 2012 was marginally higher than for the same period last year (55.7%).The average number of stores increased by 6.4% in the second quarter over the same period last year; this was one of the reasons why second-quarter expenses increased by 8.9%: from € 44.5 million to € 48.4 million. Due to reorganisation costs in Spain and expenses related to the closure of stores in Spain and the Netherlands, in particular, operating expenses have been increasing more than proportionally. In addition, pension costs in the Netherlands are higher and staff costs are higher in Germany as a result of revenue bonuses.

Expressed as a percentage of revenue, expenses for the second quarter increased from 52.9% in 2011 to 55.2% in 2012. Operating profit (EBIT) declined by € 1.8 million to € 0.6 million in the second quarter (second quarter 2011: € 2.4 million). Net profit for the second quarter of 2012 was € 0.2 million (second quarter 2011: € 1.6 million).

Due to the seasonal pattern in consumer demand, revenue and net profit in the second and third quarters are generally lower than during the first and fourth quarters.

First half 2012

Revenue for the first half of 2012 increased by 5.8% to € 196.3 million (first half 2011: € 185.5 million). Revenue at comparable stores dropped by 0.1% during the first half of 2012.

Revenue performance per country in the first six months of 2012 was as follows:

Netherlands	-2%
Germany	10%
Austria	13%
Switzerland	21%
Spain	2%
Belgium	35%
Poland	37%

At 55.8%, gross profit as a percentage of revenue remained virtually equal in the first half of the year (first half 2011: 55.9%).

The average number of stores increased by 6.5% during the first half of 2012, versus the same period last year. Driven in part by this growth, expenses during the first six months increased by 8.1%: from € 89.4 million to € 96.6 million. Operating expenses outpaced the increase in the number of stores, due in part to higher advertising spending in Germany, in particular, higher pension costs in the Netherlands, reorganisation costs in Spain, and expenses related to the closure of stores, particularly in Spain and the Netherlands.

Substantially lower visitor numbers in Spain, which were caused by the economic crisis, contributed to the sharp decline in revenue at comparable stores at El Gigante del Colchón during the first half of the year (- 18%), resulting in the implementation of radical cost-cutting measures. The management is focussing intensively on the Spanish formula and is closely tracking the economic developments.

Expressed as a percentage of revenue, operating expenses for the first six months increased from 48.2% in 2011 to 49.2% in 2012.

Average expenses per store increased by 1.6% for the first half of 2012 due to higher advertising spending, higher pension costs, reorganisation costs in Spain, and expenses related to the closure of stores, particularly in Spain and the Netherlands. Operating profit (EBIT) declined by 9.9% during this period: from € 14.3 million to € 12.9 million. Expressed as a percentage of revenue, operating profit (EBIT) dropped from 7.7% to 6.6%.

The tax burden increased from 25% to 28% during the first six months; this is caused by foregoing loss carry forwards and the relatively larger portion of the revenue generated in Germany, where a higher tax rate applies (on average).

Net profit for the first six months declined by 14.0%: from € 10.6 million to € 9.1 million. Earnings per share for the first half of 2012 were € 0.42 (first half 2011: € 0.49).

Investments and cash flow
Investments for the first half of 2012 totalled € 5.7 million (2011: € 5.5 million).Total investments in stores were € 4.3 million for the first six months of 2012 (2011: € 4.1 million); the bulk of the remaining amount was invested in IT. Operating cash flow increased by 47.1%: from € 7.0 million in 2011 to € 10.3 million in 2012.

Financing
Solvency was 50.6% at 30 June 2012; 53.7% at 30 June 2011; and 54.1% at year-end 2011. Net debt at the end of June 2012 totalled € 10.0 million, versus € 6.1 million at the end of June 2011 and € 1.2 million at year-end 2011. During the first six months, the company extended its account overdraft facilities by € 10.0 million. The committed account overdraft facilities currently run to € 23.7 million.

Operational

A total of 63 stores were opened and 45 stores were closed during the first half of 2012. This means that, on balance, a total of 18 stores were added in the first half of 2012. The largest number of stores was opened in Germany in the past six months: a total of 40. As at the end of June 2012, there were a total of 1,205 stores.

Number of stores	**31-12-2011**	**Closed**	**Opened**	**30-6-2012**
Matratzen Concord	963	27	47	983
Beter Bed	87	-	-	87
El Gigante del Colchón	67	4	7	70
BeddenREUS	39	1	6	44
Slaapgenoten/Dormaël Slaapkamers	16	-	1	17
MAV	15	13	2	4
Total	**1,187**	**45**	**63**	**1,205**

Matratzen Concord

Number of stores	**31-12-2011**	**Closed**	**Opened**	**30-6-2012**
Germany	800	20	38	818
Netherlands	39	4	1	36
Austria	62	-	4	66
Switzerland	47	-	4	51
Belgium	9	1	-	8
Poland	6	2	-	4
Total	**963**	**27**	**47**	**983**

Revenue from the cash & carry formula Matratzen Concord totalled € 119.3 million for the first half of 2012 (equating to 60.8% of total group revenue); this represents an increase of 10.5% over the same period in 2011. A total of 82.8% of this formula's revenue was generated in Germany. Revenue at comparable stores increased by 3.8%.

Beter Bed

This formula operates in the Netherlands, and last year it began operating in Belgium again. The number of Beter Bed stores has remained unchanged. During the first half of 2012, revenue dropped from € 54.8 million to € 54.0 million, representing a decline of 1.4%. Revenue at comparable stores decreased by 3.6% during this period. Beter Bed accounts for 27.5% of total group revenue.

Other formulas

Revenue of the other formulas totalled € 23.0 million for the first half of 2012, which means it accounts for 11.7% of total group revenue. This includes the revenues of retail formulas BeddenREUS (the Netherlands), Slaapgenoten/Dormaël Slaapkamers (the Netherlands), El Gigante del Colchón (Spain), MAV (Germany) and wholesaler DBC. This makes the revenue of the other formulas for the first half of 2012 1.0% higher than for the same period last year.

Outlook for third quarter 2012
Besides the consistently low consumer confidence in the Netherlands, Spain and other countries, the good summer weather in July and August resulted in lower visitor numbers in all markets. Based on this information, the company expects operating profit for the third quarter of 2012 to be considerably lower than for the same period in 2011.

Interim dividend
The company intends to once again pay an interim dividend in 2012. As customary, further information regarding this interim pay-out will be provided upon publication of the third-quarter figures on 26 October 2012.

Profile
Beter Bed Holding N.V. operates in the European bedroom furnishings market. Its activities include retail trade through a total of 1,205 stores at the end of June 2012 that operate via the chains Beter Bed (the Netherlands and Belgium), Matratzen Concord (Germany, Switzerland, Austria, the Netherlands, Belgium and Poland), El Gigante del Colchón (Spain), BeddenREUS, Dormaël Slaapkamers and Slaapgenoten (all three active in the Netherlands) and MAV (Germany). Beter Bed Holding is also engaged in developing and wholesaling branded products in the bedroom furnishings sector in the Netherlands, Germany, Belgium, Spain, Austria, Switzerland and Turkey via its subsidiary DBC International. Beter Bed Holding achieved net revenue of € 397.0 million in 2011. A total of 63% of the group's net revenue is generated outside the Netherlands. The company has been listed on NYSE Euronext Amsterdam since December 1996. Beter Bed Holding shares are traded on the Amsterdam Small Cap Index.

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2. Consolidated balance sheet

(* EUR 1,000)	30-6-2012	30-6-2011	31-12-2011
Tangible fixed assets	34,802	30,714	33,986
Intangible fixed assets	3,811	3,811	3,811
Financial fixed assets	1,901	1,773	1,930
Stocks	60,200	54,675	59,461
Debtors	6,596	5,960	8,308
Cash and cash equivalents	6,237	4,226	7,075
TOTAL ASSETS	**113,547**	**101,159**	**114,571**
Equity attributable to equity holders of the parent	57,492	54,297	62,015
Long-term liabilities	4,000	5,924	5,000
Credit institutions	14,192	6,333	5,314
Other current liabilities	37,863	34,605	42,242
TOTAL LIABILITIES	**113,547**	**101,159**	**114,571**

3. Consolidated income statement

Second quarter 2012	Second quarter 2011	(* EUR 1,000)	Cumulative 2012	Cumulative 2011
87,794	84,063	Revenue	196,268	185,499
(38,803)	(37,202)	Cost of sales	(86,707)	(81,789)
48,991	46,861	Gross profit	109,561	103,710
55.8%	*55.7%*		*55.8%*	*55.9%*
22,622	20,758	Wage and salary costs	44,798	41,988
2,332	2,048	Depreciation of tangible fixed assets	4,664	4,072
23,466	21,647	Other operating expenses	47,185	43,319
(48,420)	(44,453)	Total operating expenses	(96,647)	(89,379)
-55.2%	*-52.9%*		*-49.2%*	*-48.2%*
571	**2,408**	**Operating profit (EBIT)**	**12,914**	**14,331**
0.7%	***2.9%***		***6.6%***	***7.7%***
(113)	(88)	Financial income and expenses	(189)	(110)
458	2,320	Profit before taxation	12,725	14,221
(248)	(683)	Income tax expense	(3,580)	(3,583)
210	**1,637**	**Net profit**	**9,145**	**10,638**
0.2%	***1.9%***		***4.7%***	***5.7%***
0.01	0.07	Earnings per share in €	0.42	0.49
0.01	0.07	Diluted earnings per share in €	0.42	0.49

4. Consolidated cash flow statement

(* EUR 1,000)

	Cumulative			
	2012		2011	
Cash flow from operating activities				
Operating result	12,914		14,331	
Financing income received	134		305	
Financing expenses paid	(323)		(415)	
Income taxes paid	(3,239)		(6,690)	
Depreciation	4,664		4,072	
Costs employee stock options	44		228	
Movements in:				
Stocks	(739)		1,958	
Debtors	1,712		(307)	
Short term liabilities	(4,720)		(6,490)	
Other	(130)		19	
		10,317		**7,011**
Cash flow from investing activities				
Additions to tangible fixed assets	(5,669)		(5,535)	
Disposals of tangible fixed assets	205		161	
Changes in long-term accounts receivable	29		(59)	
		(5,435)		**(5,433)**
Cash flow from financing activities				
Repayment of loan	(1,000)		(1,000)	
Income from the reissuance of shares	57		542	
Dividend paid	(13,655)		(17,988)	
		(14,598)		**(18,446)**
Change in net cash and cash equivalents		**(9,716)**		**(16,868)**
Cash and cash equivalents at the end of the reporting period		6,237		(107)
Current bank overdraft not including repayment obligations at the end of the reporting period		(12,192)		-
Net cash and cash equivalents at the end of the reporting period		(5,955)		(107)
Cash and cash equivalents at the start of the reporting period	7,075		16,761	
Current bank overdraft not including repayment obligations at the start of the reporting period	(3,314)		-	
		3,761		16,761
Change in net cash and cash equivalents		**(9,716)**		**(16,868)**

5. Consolidated statement of comprehensive income

Second quarter 2012	Second quarter 2011	(* EUR 1,000)	Cumulative 2012	Cumulative 2011
210	1,637	Net profit	9,145	10,638
27	72	Movements in reserve for currency translation differences	(114)	26
237	**1,709**	**Total comprehensive income**	**9,031**	**10,664**

The amounts listed above are net amounts. There is no tax impact on the translation differences reserve.

6. Consolidated statement of changes in equity

(* EUR 1,000)	Total	Issued share capital	Share premium reserve	Reserve for currency translation differences	Revaluation reserve	Other reserves	Retained earnings
Balance on 1 January 2011	60,851	436	16,145	504	2,722	13,107	27,937
Net profit for 2011	10,638	-	-	-	-	-	10,638
Other components of comprehensive income 2011	26	-	-	26	-	-	-
Profit appropriation 2010	(17,988)	-	-	-	-	9,949	(27,937)
Reissuance of shares	542	-	-	-	-	542	-
Costs of employee stock options	228	-	-	-	-	228	-
Balance on 30 June 2011	54,297	436	16,145	530	2,722	23,826	10,638
Balance on 1 January 2012	62,015	436	16,145	768	2,740	13,901	28,025
Net profit for 2012	9,145	-	-	-	-	-	9,145
Other components of comprehensive income 2012	(114)	-	-	(114)	-	-	-
Profit appropriation 2011	(13,655)	-	-	-	-	14,370	(28,025)
Reissuance of shares	57	-	-	-	-	57	-
Costs of employee stock options	44	-	-	-	-	44	-
Balance on 30 June 2012	57,492	436	16,145	654	2,740	28,372	9,145

7. General notes

General details

The consolidated interim report of Beter Bed Holding N.V. (the 'company') for the first half of 2012 covers the company and its operating companies (collectively referred to as the 'Group'). This condensed consolidated interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34, 'Interim Financial Reporting'. It does not contain all the information required for full financial statements and is to be reviewed in conjunction with the Group's consolidated financial statements for 2011. Certain comparative figures have been adjusted in order to bring them in line with the presentations for the year under review. The guarantees related to store leases are classified under 'Financial fixed assets' due to the long-term nature of these receivables.

This condensed consolidated interim report was approved by the Supervisory Board on 29 August 2012.

Accounting principles and policies for the determination of the result

The accounting principles and policies for the determination of the result are identical to those for the 2011 financial statements. The application of new standards has not resulted in any material changes in the figures and notes included in these half-year figures for 2012.

Estimates

The preparation of interim reports requires that the management form a judgment and make estimates and assumptions that affect the application of financial reporting standards, the reported value of assets and liabilities and the level of income and expenditure. Actual outcomes may vary from these estimates. Unless otherwise specified, in the preparation of this condensed consolidated interim report the significant judgments formed by the management in the application of the Group's financial reporting standards and the main sources of estimation used are identical to the judgments and sources used in preparing the consolidated financial statements for the 2011 financial year.

8. Notes to the consolidated balance sheet

Equity

The movements of equity items are shown in the consolidated statement of changes in equity on page 11.

At the end of June 2012, a total of 21,805,117 shares had been issued and fully paid. During the reporting period, the number of issued and fully paid shares remained unchanged. At the end of June 2011, the number of issued and fully paid shares also totalled 21,805,117.

The average number of outstanding shares during the reporting period for the calculation of the earnings per share was 21,673,387. The number of shares for the calculation of the diluted earnings per share is equal to 21,718,506.

During the reporting period, the final dividend for the 2011 financial year was fixed at € 0.63 per ordinary share with a nominal value of € 0.02 and was paid accordingly. The total amount of dividend paid during the reporting year was € 13.655.843.

9. Notes to the consolidated profit and loss account

Taxes

At 30 June 2012 and for 2011, a connection between the tax burden and the outcome of the calculation of the profit before tax multiplied by the local tax rate in the Netherlands is as follows:

(* EUR 1,000)	Cumulative 2012	2011
Profit before taxes	12,725	14,221
At the applicable legal rate of 25.0% in the Netherlands (2011: 25.0%)	3,181	3,555
Adjustment profits tax previous years	35	5
Non-deductible expenses / excepted income	(216)	(223)
Future loss set-off not included	421	233
Recognition of previously unrecognised deferred tax assets	-	(49)
Effect of the tax rates outside the Netherlands	159	62
At an effective rate of 28.1% (2011: 25.2%)	3,580	3,583
Profit tax taken to the consolidated profit and loss account	3,580	3,583

10. Statement from the Management Board

The Management Board, to the best of her knowledge, hereby confirms that:

- the half-year figures 2012 give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the entities included in the consolidation;
- the management report to the half-year figures 2012 gives a true and fair view of the important events of the past six-month period and their impact on the half-year financial statements, as well as the principal risks and uncertainties for the six-month period to come, and, the most important related party transactions.

The Management Board

A.H. Anbeek

11. Review report

To: The Management Board of Beter Bed Holding N.V.

Introduction
We have reviewed the, in this press release 2012 half-year figures, included consolidated interim financial information of Beter Bed Holding N.V., Uden, The Netherlands, which comprises the consolidated balance sheet as per 30 June 2012, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of comprehensive income and the consolidated statement of changes in equity for the period 1 January 2012 up to and including 30 June 2012 including disclosure information. Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope
We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information for the period 1 January 2012 up to and including 30 June 2012 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Eindhoven, 29 August 2012

Ernst & Young Accountants LLP

was signed W.J. Spijker