BETER BED HOLDING N.V.

PRESS RELEASE

THIRD-QUARTER FIGURES 2012

Uden, the Netherlands, 26 October 2012

Contents

1. Press release

Beter Bed: Operating profit falls by 35% in third quarter

Third quarter:
- **Revenue in Q3 decreases by 3.3% to € 100.2 million.**
- **Operating profit falls in line with the previously stated outlook to € 6.3 million (-35.1%) compared to € 9.7 million in Q3 2011.**
- **Net profit falls in Q3 2012 by 39.5% to € 4.4 million (2011: € 7.2 million).**

First nine months:
- **Revenue through Q3 2012 grows by 2.5% to € 296.4 million (9M 2011: € 289.1 million).**
- **Operating profit decreases by 20.1% to € 19.2 million (9M 2011: € 24 million).**
- **Net profit in first nine months decreases by 24.3% to € 13.5 million (9M 2011: € 17.9 million).**
- **Net total of 27 stores are opened in first nine months.**
- **Interim dividend of € 0.35 per share (2011: € 0.47).**

Third quarter

Revenue decreased by 3.3% from € 103.6 million in Q3 2011 to € 100.2 million in Q3 2012. Growth in the average number of stores amounted to nearly 5% and revenue performance at comparable stores for the group fell by 6.6% in the third quarter.

Key figures for third quarter:

(in millions of € unless stated otherwise)	**2012**	**2011**	**Change**
Revenue	100.2	103.6	-3.3%
Gross profit (%)	55.7	55.2	
Expenses	49.5	47.5	+4.2%
Operating profit (EBIT)	6.3	9.7	-35.1%
Net profit	4.4	7.2	-39.5%

Revenue in the two most important markets of the Netherlands and Germany decreased by 8% and 1% respectively in the third quarter compared to the third quarter of last year.

Revenue performance at comparable stores in Germany fell by 4.0%. This was attributable to the summer weather in the third quarter. The challenging comparative basis of Q3 2011 also played a significant part.

Revenue performance at comparable stores fell by 9% in the Netherlands. The substantial decrease in the order intake in July and August can only be partially compensated by the rise in September. The company benefited during the last weeks of September from promotions relating to the Dutch VAT increase on 1 October 2012.

The trend in the revenue performance at comparable stores in Spain deteriorated in the third quarter. Following an 18% decrease in revenue at comparable stores in the first six months of 2012, this figure dropped by 21% in the third quarter. The company is consequently preparing additional cost-saving measures in order to be able to compensate for the effect on profit. The share of Spain in the consolidated revenue amounted to 3.5% in the first nine months of 2012.

Gross profit as a percentage of revenue rose from 55.2% in the third quarter of 2011 to 55.7% in 2012.

Total expenses as a percentage of revenue rose from 45.9% to 49.4%. Average expenses per store remained the same in the third quarter of 2012 compared to the third quarter of 2011. Operating profit (EBIT) fell by 35.1% from € 9.7 million in Q3 2011 to € 6.3 million in Q3 2012. Operating profit as a percentage of revenue decreased accordingly from 9.3% to 6.3%.

First nine months

Revenue at comparable stores in Germany rose by 2% in the first nine months. In the Netherlands, revenue at comparable stores fell by 6.5% during this period. Revenue in comparable stores for the group decreased by 2.5% in the first nine months. Total revenue in the first nine months of 2012 rose by 2.5% to € 296.4 million, due in part to the opening of new stores.

Revenue performance per country during this period was as follows:

Netherlands	-4%
Germany	6%
Austria	8%
Switzerland	14%
Spain	-5%
Belgium	37%
Poland	24%

103 stores were opened and 76 stores were closed in the first nine months of 2012. This brings the total number of stores to 1,214 at the end of September 2012 (end September 2011: 1,167).

Key figures for first nine months:

(in millions of € unless stated otherwise)	**through Q3 2012**	**through Q3 2011**	**Change**
Revenue	296.4	289.1	+2.5%
Gross profit (%)	55.8	55.7	
Operating profit (EBIT)	19.2	24.0	-20.1%
Net profit	13.5	17.9	-24.3%
Earnings per share (in €)	0.62	0.83	-25.3%

	30-9-2012	**30-9-2011**
Solvency (%)	53.9	53.1

Gross profit as a percentage of revenue increased marginally from 55.7% in the first nine months of last year to 55.8% this year. Average expenses per store rose by 1.0%, due in part to higher marketing spending in the first quarter in Germany, reorganisation expenses and expenses relating to store closures. Expenses as a percentage of revenue increased from 47.4% to 49.3%, due in part to the negative revenue performance at comparable stores and the growth in the number of stores.

Operating profit (EBIT) fell by 20.1% during this period from € 24.0 million in 2011 to € 19.2 million in 2012. Operating profit (EBIT) as a percentage of revenue consequently decreased from 8.3% to 6.5%. Earnings per share in the first nine months amounted to € 0.62 (9M 2011: € 0.83).

Financial

Investments amounted to € 8.2 million in the first nine months of 2012 (same period last year: € 9.3 million). The investments in stores have been reduced by € 0.5 million to € 6.1 million The operational cash flow decreased by 7.2% from € 24.8 million in the first nine months of 2011 to € 23.0 million in 2012. Solvency amounted to 53.9% on 30 September 2012 (year-end 2011: 54.1%).

The net cash position at the end of September 2012 amounted to € 3.9 million compared to € 13.4 million at the end of September 2011.

Interim dividend

As previously announced, the company will pay an interim dividend. The amount of the interim dividend has been set at € 0.35 per share (2011: € 0.47 per share).
The interim dividend will be made available for payment on 15 November 2012 and the share will be listed ex-dividend on 30 October 2012. The record date has been set at 1 November 2012.

Termination of activities of Materace Concord in Poland and MAV in Germany

The company conducted a re-evaluation of the activities in Poland earlier this year. The relatively very small market (in terms of value) and the low price level combined with the relatively high salary expenses and rents have led to the decision to phase out the activities in the fourth quarter. The remaining four stores at the end of September 2012 will be closed before the end of this year. The impact of this closure on net profit in the fourth quarter is expected to be negligible. The share of the activities in Poland in the consolidated revenue in the first nine months of 2012 amounts to less than 0.1%.

The activities of the MAV formula in Germany were definitively terminated in September 2012. Four stores (including former MAV stores) are currently experimenting with a new formula operating under the name ‘Schlafberater.com’.

Outlook

The development in the Netherlands remains, despite the brief pickup in late September (VAT promotion), unabatedly difficult due to falling consumer confidence. Thanks in part to the continuing relatively high consumer confidence, market development in Germany continues to be relatively positive even though the comparative basis is becoming more unfavourable in this country.

The effects of the previously initiated cost-savings plans in all the countries will be visible in the results from the fourth quarter of 2012.

Due in part to both the relatively large number of closures in Germany (MAV), Spain (El Gigante del Colchón), the Netherlands (Matrassen Concord) and Poland (Materace Concord) and a lower-than-expected number of store openings in Belgium (Beter Bed and Matrassen Concord) because they have been shifted to 2013, the company expects to achieve a net expansion of approximately 32 stores for the entire year 2012.

In light of the above, the company is, barring unforeseen circumstances, allowing for a strong decrease in operating profit for the full year 2012.

Profile

Beter Bed Holding N.V. operates in the European bedroom furnishings market. Its activities include retail trade through a total of 1,214 stores at the end of September 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 Schlafberater (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, Turkey and in the United Kingdom 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)	**30-9-2012**	**30-9-2011**	**31-12-2011**
Tangible fixed assets	34,767	32,378	33,986
Intangible fixed assets	3,811	3,811	3,811
Financial fixed assets	1,862	1,803	1,930
Stocks	60,250	58,065	59,461
Debtors	6,571	6,924	8,308
Cash and cash equivalents	7,605	13,406	7,075
TOTAL ASSETS	**114,866**	**116,387**	**114,571**
Equity attributable to equity holders of the parent	61,938	61,824	62,015
Long-term liabilities	3,500	5,424	5,000
Credit institutions	5,679	2,000	5,314
Other current liabilities	43,749	47,139	42,242
TOTAL LIABILITIES	**114,866**	**116,387**	**114,571**

The accounting principles for the interim results are unchanged compared to the 2011 financial statements. This applies to the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of comprehensive income and the consolidated statement of changes in equity.

3. Consolidated income statement

Third quarter 2012	Third quarter 2011	(* EUR 1,000)	Cumulative 2012	Cumulative 2011
100,176	103,576	Revenue	296,444	289,075
(44,375)	(46,356)	Cost of sales	(131,082)	(128,145)
55,801	57,220	Gross profit	165,362	160,930
55.7%	*55.2%*		*55.8%*	*55.7%*
22,986	22,237	Wage and salary costs	67,784	64,225
2,373	2,115	Depreciation of tangible fixed assets	7,037	6,187
24,167	23,194	Other operating expenses	71,352	66,513
(49,526)	(47,546)	Total operating expenses	(146,173)	(136,925)
-49.4%	*-45.9%*		*-49.3%*	*-47.4%*
6,275	**9,674**	**Operating profit (EBIT)**	**19,189**	**24,005**
6.3%	***9.3%***		***6.5%***	***8.3%***
(145)	(83)	Financial income and expenses	(334)	(193)
6,130	9,591	Profit before taxation	18,855	23,812
(1,750)	(2,356)	Income tax expense	(5,330)	(5,939)
4,380	**7,235**	**Net profit**	**13,525**	**17,873**
4.4%	***7.0%***		***4.6%***	***6.2%***
0.20	0.34	Earnings per share in €	0.62	0.83
0.20	0.33	Diluted earnings per share in €	0.62	0.82

4. Consolidated cash flow statement

(* EUR 1,000)

	Cumulative			
	2012		2011	
Cash flow from operating activities				
Operating result	19,189		24,005	
Financing income received	140		459	
Financing expenses paid	(474)		(652)	
Income taxes paid	(5,084)		(9,046)	
Depreciation	7,037		6,187	
Costs employee stock options	123		342	
Movements in:				
Stocks	(789)		(1,432)	
Debtors	1,737		(1,272)	
Short-term liabilities	1,261		6,044	
Other	(141)		158	
		22,999		**24,793**
Cash flow from investing activities				
Additions to tangible fixed assets	(8,159)		(9,297)	
Disposals of tangible fixed assets	355		183	
Changes in long-term accounts receivable	68		(88)	
		(7,736)		**(9,202)**
Cash flow from financing activities				
Repayment of loan	(1,500)		(1,500)	
Income from the reissuance of shares	57		542	
Dividend paid	(13,655)		(17,988)	
		(15,098)		**(18,946)**
Change in net cash and cash equivalents		**165**		**(3,355)**
Cash and cash equivalents at the end of reporting period		7,605		13,406
Current bank overdraft not including repayment obligations at the end of reporting period		(3,679)		-
Net cash and cash equivalents at the end of reporting period		3,926		13,406
Cash and cash equivalents at the start of reporting period	7,075		16,761	
Current bank overdraft not including repayment obligations at the start of reporting period	(3,314)		-	
		3,761		16,761
Change in net cash and cash equivalents		**165**		**(3,355)**

5. Consolidated statement of comprehensive income

Third quarter 2012	Third quarter 2011	(* EUR 1,000)	Cumulative 2012	Cumulative 2011
4,380	7,235	Net profit	13,525	17,873
(13)	178	Movements in reserve for currency translation differences	(127)	204
4,367	**7,413**	**Total comprehensive income**	**13,398**	**18,077**

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	17,873	-	-	-	-	-	17,873
Other components of comprehensive income 2011	204	-	-	204	-	-	-
Profit appropriation 2010	(17,988)	-	-	-	-	9,949	(27,937)
Reissuance of shares	542	-	-	-	-	542	-
Costs of employee stock options	342	-	-	-	-	342	-
Balance on 30 September 2011	61,824	436	16,145	708	2,722	23,940	17,873
Balance on 1 January 2012	62,015	436	16,145	768	2,740	13,901	28,025
Net profit for 2012	13,525	-	-	-	-	-	13,525
Other components of comprehensive income 2012	(127)	-	-	(127)	-	-	-
Profit appropriation 2011	(13,655)	-	-	-	-	14,370	(28,025)
Reissuance of shares	57	-	-	-	-	57	-
Costs of employee stock options	123	-	-	-	-	123	-
Balance on 30 September 2012	61,938	436	16,145	641	2,740	28,451	13,525