BETER BED HOLDING N.V.

PRESS RELEASE

HALF-YEAR FIGURES 2013

Uden, the Netherlands 30 August 2013

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

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1. Interim Report

Beter Bed realises lower profit due to lower revenue in first half of 2013

- **Revenue falls by 8.3% to € 180.1 million (H1 2012: € 196.3 million).**
- **Revenue in Germany and the Netherlands decreases by 2.6% and 14.6% respectively.**
- **Gross profit as percentage of revenue increases from 55.8% to 56.4%.**
- **Expenses decrease by 3.3% to € 93.5 million (H1 2012: € 96.6 million).**
- **Excluding non-recurring expenses of € 1 million for Spain, expenses fall by 4.3%.**
- **Operating profit of € 8.1 million (H1 2012: € 12.9 million).**
- **Net profit of € 5.4 million (H1 2012: € 9.1 million).**

Beter Bed Holding N.V. realised net profit of € 5.4 million in the first half of 2013. This represents a 40.5% decrease compared to the same period of last year (H1 2012: € 9.1 million), and this is in line with the outlook stated at the time of the announcement of the first quarter results and the trading update for the second quarter. Excluding the non-recurring expenses for Spain and the reorganisation of the Benelux head office (total € 1.2 million) announced in the first quarter, net profit amounted to € 6.6 million (a decrease of 27.9%).

Key figures interim results

(in millions of € unless stated otherwise)	**2013 H1**	**2012 H1**	**Change**
Revenue	180.1	196.3	(8.3%)
Gross profit (%)	56.4	55.8	
EBIT	8.1	12.9	(37.6%)
EBIT excl. non-recurring expenses	*9.3*	*12.9*	*(28.3%)*
Net profit	5.4	9.1	(40.5%)
Net profit excl. non-recurring expenses	*6.6*	*9.1*	*(27.9%)*
Earnings per share (in €)	0.25	0.42	(40.5%)
Operating cash flow	11.9	10.3	15.1%
	30-6-2013	**30-6-2012**	
Solvency (%)	57.6	50.6	

Ton Anbeek, Chief Executive Officer:
'The continuing low consumer confidence placed revenue under strong pressure in the first half of 2013. The propensity to buy in the Netherlands, Spain and Belgium remains low due to uncertainty regarding disposable incomes. Germany saw the weather influences play a particularly negative role. Switzerland and Austria showed positive revenue performance. The fall in revenue could be compensated partially by the continuing focus on improving margins and controlling expenses. Our financial position remains unabatedly strong despite the lower profit in the first half of 2013. This enables us to be able to continue to withstand the difficult market conditions and to further improve our market position.'

Key figures second quarter results

(in millions of € unless stated otherwise)	2013 Q2	2012 Q2	Change
Revenue	81.5	87.8	(7.1%)
Gross profit (%)	56.4	55.8	
EBIT	0.1	0.6	(88.8%)
EBIT excl. non-recurring expenses	*1.1*	*0.6*	*86.3%*
Net profit	(0.2)	0.2	(197.1%)
Net profit excl. non-recurring expenses	*0.8*	*0.2*	*279.0%*

Second quarter 2013

Revenue at comparable stores in Germany decreased by 5.3% in the second quarter, while there was a drop of 15.5% in the Netherlands. Revenue at comparable stores for the entire group fell by 9.0% in the second quarter.

Total revenue decreased by 7.1% to € 81.5 million in the second quarter (second quarter 2012: € 87.8 million). Gross profit totalling 56.4% was higher in the second quarter of 2013 than in the second quarter of 2012, partially due to improved purchasing conditions. Even though sixteen stores were opened, the average number of stores remained virtually the same in the second quarter compared to the second quarter of last year owing to the large number of store closures in Spain.

Total expenses fell by 5.1% in the second quarter from € 48.4 million to € 45.9 million. These expenses also include the non-recurring reorganisation expenses in Spain that total € 1 million. Excluding these non-recurring expenses, total expenses fell by 7.2%. The cost-savings are the result of the cost-cutting program launched in late 2012 with the objective of lowering both the store and overhead expenses in primarily the Netherlands and Spain and to a lesser degree Germany. Expenses as percentage of revenue increased in the second quarter from 55.2% in 2012 to 56.3% in 2013. In the second quarter average expenses (excl. DBC) per store decreased by 4.9%. Operating profit (EBIT) decreased in the second quarter by € 0.5 million to € 0.1 million (second quarter 2012: € 0.6 million). Net profit in the second quarter of 2013 amounted to € 0.2 million negative (second quarter 2012: € 0.2 million).

Revenue and net profit are generally lower in the second and third quarter than in the first and fourth quarter due to the seasonal pattern in consumer demand.

First half of 2013

Revenue in the first half of 2013 decreased by 8.3% to € 180.1 million (first half of 2012: € 196.3 million). Revenue at comparable stores fell by 9.9% in the first half of 2013.

Revenue performance per country in the first half of 2013 was as follows:

Netherlands	-14.6%
Germany	-2.6%
Austria	7.6%
Switzerland	3.0%
Spain	-46.9%
Belgium	-27.5%

Considerably lower visitor numbers in Spain due to the economic crisis resulted in a strong drop in revenue at comparable stores (-42.7%) in the first half of 2013 at El Gigante del Colchón. This led to the implementation of far-reaching, cost-saving measures and the closure of poorly performing stores. As of 30 June 2013 the chain still has 45 stores. Another 15 stores will be closed in the third quarter of 2013. The aim is to ultimately retain a core of 30 stores, which are expected to be able to achieve at least a break-even result on an annualised basis.

Gross profit as a percentage of revenue amounted to 56.4% in the first half of 2013 and is consequently higher than in the same period of last year (H1 2012: 55.8%). Gross profit rose due to factors including improved purchasing conditions.

The average number of stores grew by 1.1% in the first half of 2013 compared to the first half of 2012. Despite this growth, the company was able to reduce total expenses in the first half of 2013 by 3.3% from € 96.6 million to € 93.5 million. Non-recurring reorganisation expenses in Spain and the Netherlands of € 1.2 million are included in these expenses. Excluding these non-recurring expenses, expenses decreased by 4.5%. The cost-savings are the result of the cost-cutting program launched in late 2012 with the objective of lowering both the store and overhead expenses in primarily the Netherlands and Spain and to a lesser degree Germany, supplemented with further cost-saving activities in 2013. Operating expenses as a percentage of revenue increased in the first half of 2013 from 49.2% in 2012 to 51.9% in 2013.

Average expenses (excl. DBC) per store decreased by 3.7% in the first half of 2013 as a result of the cost-cutting program launched in late 2012. This effect is strengthened by the slight growth in the average number of stores.

Operating profit (EBIT) decreased in this period by 37.6% from € 12.9 million to € 8.1 million. As a percentage of revenue, operating profit (EBIT) decreased by 6.6% to 4.5%.

The tax burden in the first half of 2013 rose from 28.1% to 29.6%. This is caused primarily by the larger share of the revenue that is realised in Germany that has (on average) a higher tax rate.

Net profit in the first half of 2013 decreased by 40.5% from € 9.1 million to € 5.4 million. Earnings per share in the first half of 2013 amounted to € 0.25 (first half of 2012: € 0.42).

Investments and cash flow
Investments in the first half of 2013 totalled € 2.6 million (first half of 2012: € 5.7 million). Investments in stores amounted to € 2 million in the first half of 2013 (first half of 2012: € 4.3 million). The remaining amount has been invested primarily in IT and other operating assets. The operating cash flow rose by 15.1% from € 10.3 million in 2012 to € 11.9 million in 2013.

Financing
Solvency amounted to 57.6% on 30 June 2013. It stood at 50.6% on 30 June 2012 and 50.4% at year-end 2012. Net debt improved by € 5.8 million compared to year-end 2012.

Operational
A total of 37 stores were opened and 55 stores were closed in the first half of 2013. This brings the decline in the number of stores in the first half of 2013 to 18 on balance. The decrease in the number of stores was caused primarily by the large number of closures in Spain and to a lesser extent in the Netherlands. Most of the store openings in the first half year were in Germany, with a net total of 11. There were a total of 1,201 stores at the end of June 2013.

Number of stores	31-12-2012	Closed	Opened	30-6-2013
Matratzen Concord	1,004	35	36	1,005
Beter Bed	88	-	1	89
El Gigante del Colchón	63	18	-	45
BeddenREUS	44	2	-	42
Slaapgenoten	16	-	-	16
Schlafberater.com	4	-	-	4
Total	**1,219**	**55**	**37**	**1,201**

Matratzen Concord

Number of stores	31-12-2012	Closed	Opened	30-6-2013
Germany	852	20	31	863
Netherlands	27	4	-	23
Austria	67	7	-	60
Switzerland	52	4	4	52
Belgium	6	-	1	7
Total	**1,004**	**35**	**36**	**1,005**

Matratzen Concord
Cash & carry formula Matratzen Concord realised revenue of € 115.7 million (64.3% of the total group revenue) in the first half of 2013. This is a decrease of 3.0% compared to the comparable period of 2012. 83.4% of this formula's revenue was realised in Germany. Revenue at comparable stores fell by 6.2%.

Beter Bed
This formula is active in the Netherlands and has once again been active in Belgium since 2011. The number of Beter Bed stores has increased by one. Revenue in the first half of 2013 fell from € 54.0 million to € 47.9 million, representing a decrease of 11.4%. Revenue at comparable stores decreased by 11.3% in the first half of 2013. Beter Bed contributes 26.6% to total group revenue.

Other formulas
Revenue of the other formulas amounted to € 16.5 million in the first half of 2013 and as a result contributed 9.1% to total group revenue. This includes the revenue of the retail formulas BeddenREUS (Netherlands), Slaapgenoten (Netherlands), El Gigante del Colchón (Spain) and Schlafberater.com (Germany) and the wholesaler DBC. The revenue of the other formulas was consequently 28.4% lower in the first half of 2013 than in the comparable period of last year.

Outlook for third quarter 2013
In addition to a continuing low level of consumer confidence in countries including the Netherlands and Spain, the fair summer weather in July and part of August led to lower visitor numbers and order intake in all markets (except Spain). Based on this, a strong decrease in operating profit is expected in the third quarter of 2013. As a consequence additional cost savings will be implemented as of 1 September.

Interim dividend

The company intends to pay an interim dividend in 2013. As is customary, further announcements on this matter will be made at the time of the publication of the third quarter figures on 1 November 2013.

Profile

Beter Bed Holding N.V. operates in the European bedroom furnishings market. Its activities include retail trade through a total of 1,201 stores at the end of June 2013 that operate via the chains Beter Bed (active in the Netherlands and Belgium), Matratzen Concord (active in Germany, Switzerland, Austria, the Netherlands and Belgium), El Gigante del Colchón (active in Spain), BeddenREUS and Slaapgenoten (both active in the Netherlands) and Schlafberater.com (active in Germany). Beter Bed Holding is also active in the field of developing and wholesaling branded products in the bedroom furnishing sector in the Netherlands, Germany, Belgium, Spain, Austria, Switzerland, Turkey and the United Kingdom via its subsidiary DBC International. Beter Bed Holding N.V. achieved net revenue of € 397.3 million in 2012. More than 65% of the group's net revenue is realised outside the Netherlands. The company has been listed on the NYSE Euronext Amsterdam since 1996 and is included in the Amsterdam Small Cap Index.

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2. Condensed consolidated balance sheet

(* EUR 1,000)	**30-06-2013**	**30-6-2012**	**31-12-2012**
Tangible fixed assets	29,167	33,276	30,936
Intangible fixed assets	2,583	5,337	2,855
Financial fixed assets	873	1,901	978
Stocks	57,645	60,200	60,712
Debtors	5,834	6,596	10,150
Cash and cash equivalents	5,553	6,237	5,224
TOTAL ASSETS	**101,655**	**113,547**	**110,855**
Equity attributable to equity holders of the parent	58,528	57,492	55,832
Long-term liabilities	2,400	4,000	3,400
Credit institutions	5,810	14,192	11,327
Other current liabilities	34,917	37,863	40,296
TOTAL LIABILITIES	**101,655**	**113,547**	**110,855**

3. Condensed consolidated income statement

Second quarter 2013	Second quarter 2012	(* EUR 1,000)	Cumulative 2013	Cumulative 2012
81,546	87,794	Revenue	180,065	196,268
(35,554)	(38,803)	Cost of sales	(78,502)	(86,707)
45,992	**48,991**	**Gross profit**	**101,563**	**109,561**
56.4%	***55.8%***		***56.4%***	***55.8%***
21,721	22,623	Wage and salary costs	44,328	44,798
2,267	2,332	Depreciation and impairment of fixed assets	4,544	4,664
21,940	23,465	Other operating expenses	44,632	47,185
(45,928)	**(48,420)**	**Total operating expenses**	**(93,504)**	**(96,647)**
-56.3%	***-55.2%***		***-51.9%***	***-49.2%***
64	**571**	**Operating profit (EBIT)**	**8,059**	**12,914**
0.1%	***0.7%***		***4.5%***	***6.6%***
(126)	(113)	Financial income and expenses	(320)	(189)
(62)	**458**	**Profit before taxation**	**7,739**	**12,725**
(142)	(248)	Income tax expense	(2,294)	(3,580)
(204)	**210**	**Net profit**	**5,445**	**9,145**
-0.3%	***0.2%***		***3.0%***	***4.7%***
(0.01)	0.01	Earnings per share in €	0.25	0.42
(0.01)	0.01	Diluted earnings per share in €	0.25	0.42

4. Consolidated cash flow statement

(* EUR 1,000)

	First half-year			
	2013		2012	
Cash flow from operating activities				
Profit before taxation	7,739		12,725	
Income taxes paid	(5,398)		(3,239)	
Depreciation and impairments	4,544		4,664	
Costs employee stock options	(154)		44	
Movements in:				
Stocks	3,067		(739)	
Debtors	4,316		1,712	
Short-term liabilities	(2,275)		(4,720)	
Other	34		(130)	
		11,873		**10,317**
Cash flow from investing activities				
Additions to (in)tangible fixed assets	(2,597)		(5,669)	
Disposals of (in)tangible fixed assets	73		205	
Changes in long-term accounts receivable	105		29	
		(2,419)		**(5,435)**
Cash flow from financing activities				
Repayment of loan	(1,000)		(1,000)	
Income from the reissuance of shares	-		57	
Dividend paid	(2,608)		(13,655)	
		(3,608)		**(14,598)**
Change in net cash and cash equivalents		**5,846**		**(9,716)**
Cash and cash equivalents at the end of the reporting period	5,553		6,237	
Current bank overdraft not including repayment obligations at the end of the reporting period	(3,810)		(12,192)	
Net cash and cash equivalents at the end of the reporting period		1,743		(5,955)
Cash and cash equivalents at the start of the reporting period	5,224		7,075	
Current bank overdraft not including repayment obligations at the start of the reporting period	(9,327)		(3,314)	
		(4,103)		3,761
Change in net cash and cash equivalents		**5,846**		**(9,716)**

5. Consolidated statement of comprehensive income

Second quarter 2013	Second quarter 2012	(* EUR 1,000)	Cumulative 2013	Cumulative 2012	First quarter 2013	First quarter 2012
(204)	210	Net profit	5,445	9,145	5,649	8,935
24	27	Movements in reserve for currency translation differences	13	(114)	(11)	(141)
(180)	**237**	**Total comprehensive income**	**5,458**	**9,031**	**5,638**	**8,794**

The amounts listed above are net amounts and fully recyclable. 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 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**
Balance on 1 January 2013	**55,832**	**436**	**16,145**	**613**	**2,847**	**21,373**	**14,418**
Net profit for 2013	5,445	-	-	-	-	-	5,445
Other components of comprehensive income 2013	13	-	-	13	-	-	-
Profit appropriation 2012	(2,608)	-	-	-	-	11,810	(14,418)
Costs of employee stock options	(154)	-	-	-	-	(154)	-
Balance on 30 June 2013	**58,528**	**436**	**16,145**	**626**	**2,847**	**33,029**	**5,445**

7. General notes

General details

The consolidated interim report of Beter Bed Holding N.V. (the 'company') for the first half of 2013 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 2012. 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 2013.

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 2012 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 2013.

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 2012 financial year.

8. Notes to the condensed 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 2013, 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 2012, 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 21,729,312. The number of shares for the calculation of the diluted earnings per share is equal to 21,730,954.

During the reporting period, the final dividend for the 2012 financial year was fixed at € 0.12 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 € 2,607,517.

9. Notes to the condensed consolidated profit and loss account

Taxes

At 30 June 2013 and for 2012, 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 2013	2012
Profit before taxes	7,739	12,725
At the applicable legal rate of 25.0% in the Netherlands (2012: 25.0%)	1,935	3,181
Adjustment profits tax previous years	-	35
Non-deductible expenses / excepted income	(283)	(216)
Future loss set-off not included	650	421
Effect of the tax rates outside the Netherlands	(8)	159
At an effective rate of 29.6% (2012: 28.1%)	2,294	3,580
Profit tax taken to the condensed consolidated profit and loss account	2,294	3,580

10. Statement from the Management Board

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

- the half-year figures 2013 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 2013 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 B.F. Koops

11. Review report

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

Introduction
We have reviewed the, in this press release 2013 half-year figures, included interim financial information of Beter Bed Holding N.V., Uden, The Netherlands, which comprises the condensed consolidated balance sheet as per 30 June 2013, the condensed 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 2013 up to and including 30 June 2013 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 up to and including 30 June 2013 is not prepared, in all material respects, in accordance with IAS 34, ‘Interim Financial Reporting’, as adopted by the European Union.

Eindhoven, 29 August 2013

Ernst & Young Accountants LLP

was signed W.J. Spijker