Beter Bed Holding

HARD AT WORK ON A GOOD NIGHT'S REST

# HALF-YEAR FIGURES 2016

# PROFILE

Beter Bed Holding is a European retail organisation that strives to offer its customers a comfortable and healthy night's rest every night at an affordable price. The company does this via stores and its own webshops through the formats:

- Matratzen Concord, located in Germany, Switzerland and Austria.
- Beter Bed, located in the Netherlands and Belgium.
- Beddenreus, located in the Netherlands.
- El Gigante del Colchón, located in Spain.
- Literie Concorde, located in France.
- Sängjätten, located in Sweden.

The retail formats ensure products of good quality, offer customers the best advice and always the best possible deal.

Beter Bed Holding is also active as a wholesaler of branded products in the bedroom furnishing sector via its subsidiary DBC International. The international brand M Line is sold in the Netherlands, Germany, Belgium, Austria, Switzerland, Spain, France and the United Kingdom.

The current total number of stores is 1,176. In 2015, the company achieved net revenue of € 385.4 million. 70.1% of this figure was realised outside the Netherlands.

Beter Bed Holding N.V. has been listed on the Euronext Amsterdam since December 1996 and its shares (BBED NL0000339703) have been included in the AScX Index.

For more information please visit www.beterbedholding.com.

In case of textual contradictions between the Dutch and the English interim report, the first shall prevail.

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Beter Bed Holding

HARD AT WORK ON A GOOD NIGHT'S REST

## Press release

# INTERIM REPORT

***Uden, the Netherlands, 30 August 2016***

## Beter Bed Holding realises increased revenue and profit in first six months of 2016

- **Revenue increases by 5.7% to € 196.7 million.**
- **Like-for-like order intake: + 3.5%.**
- **Gross profit rises by 0.4% to 57.0%.**
- **EBITDA increases by € 1.6 million (10.3%) to € 17.1 million.**
- **Net profit rises by 7.4% to € 8.4 million.**

### Key figures interim results
(in millions of € unless stated otherwise)

| | 2016 H1 | 2015 H1 | Change |
|---|---|---|---|
| Revenue | 196.7 | 186.1 | 5.7% |
| Gross profit (%) | 57.0 | 56.6 | |
| EBITDA | 17.1 | 15.5 | 10.3% |
| Operating profit | 11.6 | 10.5 | 10.3% |
| Net profit | 8.4 | 7.8 | 7.4% |
| Earnings per share (in €) | 0.38 | 0.36 | 7.3% |

| | 30-6-2016 | 30-6-2015 |
|---|---|---|
| Solvency (%) | 57.9 | 58.6 |

### Ton Anbeek, Chief Executive Officer
*'The strategic decision to enable the company to develop into an omnichannel retailer with a marketing and advertising policy aimed at customer satisfaction and innovation is producing results given the development of the online revenue and revenue in our stores in the first six months of 2016. This is revealed most clearly in the Benelux countries where the execution of the 'From Good to Great' strategy is taking place according to plan. With some delay the German-speaking countries will carry out the same strategy. Combined with a strong comparative basis, this provides an explanation for the lower like-for-like growth. Gross profit and EBIT also showed healthy growth. While great importance is placed on cost control, the expenses were higher in the first six months of 2016. This is due in part to the new strategy in which further professionalisation of the organisation is a top priority. Non-recurring expenses were also recorded in the first six months of 2016 that relate to logistics tests/studies, omnichannel/ecommerce, marketing projects and the acquisition of Sängjätten. We expect Sängjätten to contribute to profit from the first half of 2017 onwards.'*

## Key figures second quarter results
(in millions of € unless stated otherwise)

| | 2016 Q2 | 2015 Q2 | Change |
|---|---|---|---|
| Revenue | 89.8 | 83.9 | 7.0% |
| Gross profit (%) | 57.4 | 56.7 | |
| EBITDA | 4.3 | 3.7 | 16.8% |
| Operating profit | 1.5 | 1.3 | 17.1% |
| Net profit | 1.0 | 1.0 | -5.7% |

## Second quarter of 2016
Order intake in comparable stores rose in the second quarter of 2016 in all the countries in which the group operates, with the exception of Germany and Switzerland. The order intake in comparable stores in the Netherlands increased by 15.9% and decreased by 4.0% in Germany. Like-for-like order intake growth amounted to 2.5% for the entire group.

Total revenue increased by 7.0% to € 89.8 million in the second quarter. The growth in revenue was caused on the one hand by the positive like-for-like development and on the other hand by the increase in the average number of stores by 3.3% as a result of organic growth and acquisitions. Revenue also rose as a result of a high order portfolio at the beginning of the quarter.

Gross profit in this period amounted to 57.4%, representing a 0.7% increase compared to the second quarter of 2015. Gross profit rose as a result of improved purchasing conditions and range improvements.

Total expenses increased by 8.2% to € 50.0 million in the second quarter of 2016. This rise was caused by the increase in the average number of stores and the growth in like-for-like, and relates primarily to logistics and staff costs (increased number of employees and variable remuneration). Investments in the further professionalisation of the organisation, in fields including retail marketing, training and ecommerce, also led to higher amortisation, staff and IT expenses. In addition, € 1.0 million in non-recurring expenses were included in the second quarter results of 2016, with the largest proportion of this amount being connected to the strategy development. Average expenses (excluding DBC) per store rose by 5.2% in the second quarter (excluding non-recurring expenses, the increase was 3.0%).

EBITDA totalled € 4.3 million in the second quarter. This is an increase of € 0.6 million (16.8%) compared to the same period of last year. Total operating profit (EBIT) increased in the second quarter from € 1.3 million to € 1.5 million. Net profit in the second quarter of 2016 totalled € 1.0 million (second quarter 2015: € 1.0 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 six months of 2016
Revenue rose by 5.7% to € 196.7 million in the first six months of 2016. Order intake at comparable stores rose by 3.5% during this period.

Revenue performance per country in the first six months of 2016 was as follows:

| | |
|---|---|
| Netherlands | 18.9% |
| Germany | -2.8% |
| Austria | 20.6% |
| Switzerland | -4.1% |
| Spain | 13.0% |
| Belgium | 29.0% |
| France | 63.6% |

The higher revenue in the Netherlands was attributable, in addition to a pick-up in demand resulting from the recovering housing market, primarily to the execution of the new 'From Good to Great' strategy that emphasises omnichannel ecommerce, retail marketing, customer satisfaction, innovation and logistics. Revenue in Germany decreased due to lower footfall in our stores and the strong comparative basis (like-for-like H1 2015: 10.2%). The growth in Austria and Spain is primarily attributable to an increase in the number of stores as a result of organic expansion and acquisitions. The group has gained market share in almost all the countries in which it operates.

Gross profit amounted to 57.0% in the first six months of 2016 and is consequently 0.4% higher than in the same period of last year (H1 2015: 56.6%). The increase was once again achieved mainly through improved purchasing conditions and range adjustments.

The average number of stores in the first six months of 2016 rose by 3.1% compared to the first six months of last year. Total expenses increased by 6.0% from € 94.8 million to € 100.5 million in the first six months of 2016. This increase largely stems from the aforementioned increase in the average number of stores and (investments in) the further professionalisation of the organisation. Average expenses (excluding DBC) per store rose by 3.2% in the first six months of 2016.

EBITDA totalled € 17.1 million in the first six months of 2016. This amounts to an increase of € 1.6 million (10.3%) compared to the same period of last year. Operating profit (EBIT) increased by 10.3% to € 11.6 million in this period. Operating profit as a percentage of revenue rose from 5.7% to 5.9%.

Net profit rose by 7.4% from € 7.8 million to € 8.4 million in the first six months of 2016.

Earnings per share in the first six months of 2016 amounted to € 0.38 (first six months of 2015: € 0.36).

## Investments

Investments in the first six months of 2016 totalled € 8.9 million (first six months of 2015: € 8.7 million). During this period, investments in stores amounted to € 4.5 million (first six months of 2015: € 4.8 million). The assets acquired through the acquisition of Sängjätten total € 2.1 million, and consist of € 0.3 million in tangible fixed assets and € 1.8 million in intangible assets.

## Financing/solvency

Solvency amounted to 57.9% on 30 June 2016, compared to 58.6% on 30 June 2015 and 57.5% at year-end 2015.

## Operational
53 stores were opened and 38 stores were closed in the first six months of 2016. The group had a total of 1,176 stores at the end of June 2016.

## Number of stores

| | 31-12-2015 | Closed | Opened | 30-6-2016 |
|---|---|---|---|---|
| Matratzen Concord | 992 | 30 | 24 | 986 |
| Beter Bed | 97 | 4 | 3 | 96 |
| El Gigante del Colchón | 36 | - | 8 | 44 |
| Beddenreus | 34 | 4 | 2 | 32 |
| Literie Concorde | 2 | - | - | 2 |
| Sängjätten | - | - | 16 | 16 |
| **Total** | **1,161** | **38** | **53** | **1,176** |

## Matratzen Concord

| Number of stores | 31-12-2015 | Closed | Opened | 30-6-2016 |
|---|---|---|---|---|
| Germany | 849 | 24 | 23 | 848 |
| Austria | 85 | 4 | - | 81 |
| Switzerland | 58 | 2 | 1 | 57 |
| **Total** | **992** | **30** | **24** | **986** |

## Matratzen Concord
Revenue of the cash & carry format Matratzen Concord in the first six months of 2016 totalled € 123.6 million (62.8% of total group revenue). This is a decrease of 1.1% compared to the first six months of 2015. Of the revenue of this format, 83.1% was achieved in Germany and 16.9% in Austria and Switzerland. Revenue at comparable stores decreased by 4.1%.

## Beter Bed
This format operates in the Netherlands and Belgium. Revenue grew in the first six months of 2016 by € 10.7 million to € 61.1 million, which equals an increase of 21.2%. Revenue in comparable stores increased by 20.9% in the first six months of 2016. Beter Bed contributed 31.1% to the total group revenue.

## Other formats
Revenue of the other formats rose by 11.3% in the first six months of 2016 to € 12.0 million. The other formats contributed 6.1% to the total group revenue. This includes the revenues of the retail formats Beddenreus (The Netherlands), El Gigante del Colchón (Spain), Literie Concorde (France), Sängjätten (Sweden) and the wholesaler DBC.

## Outlook for third quarter of 2016

The revenue trends in the Benelux, Spain and France are continuing. Demand continues to lag behind, primarily in Germany and Austria, despite a less stronger comparative basis.

## Interim dividend

The company plans to pay an interim dividend in 2016. As is customary, further information regarding this matter will be provided upon the publication of the trading update on 28 October 2016.

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# CONDENSED CONSOLIDATED BALANCE SHEET

## Per 30 June

| in thousand € | **30-6-2016** | 30-6-2015 | 31-12-2015 |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible assets | **36,075** | 32,907 | 34,520 |
| Intangible assets | **5,360** | 3,839 | 3,477 |
| Financial assets | **1,695** | 779 | 1,580 |
| **Total fixed assets** | **43,130** | 37,525 | 39,577 |
| **Current assets** | | | |
| Inventories | **58,977** | 54,186 | 57,926 |
| Receivables | **7,780** | 7,362 | 8,662 |
| Cash and cash equivalents | **17,277** | 20,297 | 25,512 |
| **Total current assets** | **84,034** | 81,845 | 92,100 |
| **TOTAL ASSETS** | **127,164** | 119,370 | 131,677 |
| **Equity** | | | |
| Equity attributable to equity holders of the parent | **73,676** | 69,959 | 75,750 |
| **Total equity** | **73,676** | 69,959 | 75,750 |
| **Liabilities** | | | |
| Provisions | **237** | 889 | 538 |
| Non-current liablilities | **2,279** | 2,264 | 2,279 |
| Current liabilities | **50,972** | 46,258 | 53,110 |
| **Total liabilities** | **53,488** | 49,411 | 55,927 |
| **TOTAL EQUITY AND LIABILITIES** | **127,164** | 119,370 | 131,677 |

# CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

| Second quarter 2016 | Second quarter 2015 | in thousand € | First half year 2016 | First half year 2015 |
|---|---|---|---|---|
| **89,796** | 83,886 | Revenue | **196,663** | 186,086 |
| **(38,244)** | (36,327) | Cost of sales | **(84,562)** | (80,793) |
| **51,552** | 47,559 | **Gross profit** | **112,101** | 105,293 |
| **57.4%** | 56.7% | | **57.0%** | 56.6% |
| **23,995** | 22,610 | Wage and salary costs | **47,793** | 45,695 |
| **2,818** | 2,415 | Amortisation and disposals of (in)tangible assets | **5,440** | 4,935 |
| **23,236** | 21,251 | Other operating expenses | **47,248** | 44,126 |
| **(50,049)** | (46,276) | **Total operating expenses** | **(100,481)** | (94,756) |
| **-55.7%** | -55.2% | | **-51.1%** | -50.9% |
| **1,503** | 1,283 | **Operating profit (EBIT)** | **11,620** | 10,537 |
| **1.7%** | 1.5% | | **5.9%** | 5.7% |
| **(32)** | (80) | Finance income and costs | **(73)** | (73) |
| **1,471** | 1,203 | **Profit before taxation** | **11,547** | 10,464 |
| **(503)** | (176) | Income tax expense | **(3,149)** | (2,643) |
| **968** | 1,027 | **Net profit** | **8,398** | 7,821 |
| **1.1%** | 1.2% | | **4.3%** | 4.2% |
| | | **Earnings per share** | | |
| **0.04** | 0.05 | Earnings per share in € | **0.38** | 0.36 |
| **0.04** | 0.05 | Diluted earnings per share in € | **0.38** | 0.35 |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| Second quarter 2016 | Second quarter 2015 | in thousand € | First half year 2016 | First half year 2015 | First quarter 2016 | First quarter 2015 |
|---|---|---|---|---|---|---|
| **968** | 1,027 | Profit | **8,398** | 7,821 | 7,430 | 6,794 |
| | | Non-recyclable: | | | | |
| | | Change in revaluation reserve | | | | |
| **-** | - | - due to revaluation of land | **-** | 140 | - | 140 |
| | | Recyclable: | | | | |
| **(58)** | 153 | Movements in reserve for currency translation differences | **(69)** | 586 | (11) | 433 |
| **910** | 1,180 | **Total comprehensive income** | **8,329** | 8,547 | 7,419 | 7,367 |

The amounts listed above are net amounts. In principle the movement in reserve for translation differences is fully recyclable. The movement in revaluation is not. There is no tax impact on the translation differences reserve.

# CONSOLIDATED CASH FLOW STATEMENT

| in thousand € | First half year 2016 | 2015 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Operating profit | **11,620** | 10,537 |
| Interest paid | **(67)** | (68) |
| Income tax paid | **(5,246)** | (1,076) |
| Depreciation, amortisation and impairments | **5,294** | 4,633 |
| Costs (Release) of employee stock options | **136** | 98 |
| Movements in: | | |
| – Inventories | **(1,051)** | (705) |
| – Receivables | **874** | 656 |
| – Provisions | **(301)** | (326) |
| – Current liabilities | **(39)** | 1,239 |
| – Other | **(46)** | 173 |
| | **11,174** | 15,161 |
| **Cash flow from investing activities** | | |
| Additions to (in)tangible assets | **(8,901)** | (8,739) |
| Disposals of (in)tangible assets | **146** | 302 |
| Changes in non-current receivables | **(115)** | 11 |
| | **(8,870)** | (8,426) |
| **Cash flow from financing activities** | | |
| Share (re)issuance | **-** | 803 |
| Dividend paid | **(10,539)** | (8,124) |
| | **(10,539)** | (7,321) |
| **Change in net cash and cash equivalents** | **(8,235)** | (586) |
| Cash and cash equivalents at the end of the financial year | **17,277** | 20,297 |
| Current bank overdraft not including repayment obligations at the end of the financial year | **-** | - |
| Net cash and cash equivalents at the end of the financial year | **17,277** | 20,297 |
| Cash and cash equivalents at the beginning of the financial year | **25,512** | 20,883 |
| Current bank overdraft not including repayment obligations at the beginning of the financial year | **-** | - |
| Net cash and cash equivalents at the beginning of the financial year | **25,512** | 20,883 |
| **Change in net cash and cash equivalents** | **(8,235)** | (586) |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| in thousand € | Total | Issued share capital | Share premium reserve | Reserve for currency translation | Revalua-tion reserve | Other reserves | Retained earnings |
|---|---|---|---|---|---|---|---|
| **Balance on 1 Jan. 2015** | **68,635** | **438** | **17,673** | **814** | **2,847** | **30,003** | **16,860** |
| Net profit 2015 | 7,821 | - | - | - | - | - | 7,821 |
| Other components of comprehensive income 2015 | 726 | - | - | 586 | 140 | - | - |
| Profit appropriation 2014 | - | - | - | - | - | 16,860 | (16,860) |
| Final dividend 2014 | (8,124) | - | - | - | - | (8,124) | - |
| Interim dividend 2015 | - | - | - | - | - | - | - |
| (Re)issuance of shares | 803 | 1 | 761 | - | - | 41 | - |
| Release of employee stock options | 98 | - | - | - | - | 98 | - |
| **Balance on 30 June 2015** | **69,959** | **439** | **18,434** | **1,400** | **2,987** | **38,878** | **7,821** |
| **Balance on 1 Jan. 2016** | **75,750** | **439** | **18,434** | **1,097** | **2,812** | **30,409** | **22,559** |
| Net profit 2016 | **8,398** | **-** | **-** | **-** | **-** | **-** | **8,398** |
| Other components of comprehensive income 2016 | **(69)** | **-** | **-** | **(69)** | **-** | **-** | **-** |
| Profit appropriation 2015 | **-** | **-** | **-** | **-** | **-** | **22,559** | **(22,559)** |
| Final dividend 2015 | **(10,539)** | **-** | **-** | **-** | **-** | **(10,539)** | **-** |
| Interim dividend 2016 | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| (Re)issuance of shares | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Costs of employee stock options | **136** | **-** | **-** | **-** | **-** | **136** | **-** |
| **Balance on 30 June 2016** | **73,676** | **439** | **18,434** | **1,028** | **2,812** | **42,565** | **8,398** |

# GENERAL NOTES

The condensed consolidated interim financial data of Beter Bed Holding N.V. (domiciled in Uden, the Netherlands) contained in this interim report, consisting of the condensed consolidated balance sheet as at 30 June 2016; the condensed consolidated profit and loss account; the consolidated statement of comprehensive income; the consolidated cash-flow statement and the consolidated statement of changes in equity for the period from 1 January 2016 to 30 June 2016, plus the notes, have been reviewed by our external auditor. The other consolidated statements contained in this interim report, including the notes, have not been reviewed or audited for the purpose of this interim report. These statements and notes were taken from the 2015 financial statements of Beter Bed Holding N.V. (domiciled in Uden, the Netherlands) and the 2015 interim report, respectively, excluding the financial information for the first or second quarter. The company's Management Board is responsible for drafting and disclosing the interim financial data in accordance with IAS 34, 'Interim Financial Reporting', as accepted within the European Union. The notes constitute an integral part of this condensed consolidated interim report.

Certain prior-period amounts have been reclassified in line with the presentation for the period under review. These reclassifications relate mainly to the costs of disposals in other operating expenses.

Beter Bed Holding N.V. defines EBITDA as follows: Operating profit plus depreciation, amortisation, impairments and carrying amount of disposals.

## General details

Beter Bed Holding is domiciled in Uden, the Netherlands and listed on Euronext Amsterdam. The consolidated interim report of Beter Bed Holding N.V. (the 'company') for the first half of 2016 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 2015. This condensed consolidated interim report was approved by the Supervisory Board on 29 August 2016.

## 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 2015 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 2016.

## Acquisition of Sängjätten

On 2 June 2016, Beter Bed Holding N.V. entered into an agreement in principle with Sängjätten AB located in Gothenburg (Sweden) concerning the acquisition of the Sängjätten Group's specific assets, employees and rental agreements. The conditions and (resolutive) clauses of this acquisition were included in the Share Purchase Agreement that was signed by both parties on 2 June 2016.

These assets have been transferred from the Sängjätten Group to a newly established company, Sängjätten Sverige AB, located in Gothenburg (Sweden) via an Asset Transfer Agreement. Beter Bed Holding N.V. subsequently acquired 100% of the shares in Sängjätten Sverige AB from Sängjätten AB on 17 June 2016.

The Sängjätten format fits in with Beter Bed's business model and retail format, making it possible to realise operational, commercial and financial synergy. Beter Bed Holding has gained a chain with national coverage in Sweden through the acquisition of Sängjätten.

The method of incorporation into the group's results is based on the purchase accounting method. The acquisition date (the date on which majority ownership of the equity and assets of the acquiree is effectively transferred to the acquirer) is 17 June 2016. The purchase price for the shares has been set at € 3,298,396. The net actual value of the assets and liabilities of Sängjätten amount to € 3,298,396. The acquired assets are comprised of € 1.5 million in inventories and € 1.8 million in the capitalisation of the brand name Sängjätten.

The effect on the financial results is limited due to the fact that Sängjätten will only be consolidated from 17 June 2016.

## Estimates

The preparation of interim reports requires that the management form a judgement 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 judgements 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 2015 financial year.

## Risk

The risks recognised by the company and the internal control environment do not vary significantly from the information contained on this subject in the 2015 annual report.

## Seasonal pattern

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

## Related parties

The financial relationships between Beter Bed Holding N.V. and its participating interests consist almost fully in receiving dividends and receiving interest on loans provided.

## Commitments not included in the balance sheet

In 2015 the group extended its € 40 million credit facilities (of which € 20 million committed) by a period of five years, based on the existing covenants. At this moment no use is made of the credit facilities.

## Post-balance sheet events

No events that are required to be disclosed occurred in the period between this interim report and the preparation of these financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED BALANCE SHEET

## Tangible assets

Investments in stores totalled € 4.5 million during the first half of 2016 (versus € 4.8 million in the first half of 2015). Among the investments in other fixed operating assets are also investments in IT. In addition, tangible fixed assets increased as a result of the acquisition of Sängjätten in Sweden. Land is stated at fair value, based on regular appraisals carried out by an external expert. The company is of the view that the fair value has not changed significantly since the most recent appraisals.

## Equity

The movements in the equity items are shown in the consolidated statement of changes in equity (see page 13). As at the end of June 2016, a total of 21,955,562 shares were issued and paid up. During the reporting period, the number of issued and fully paid shares remained unchanged. Beter Bed Holding does not hold shares in portfolio.

The average number of outstanding shares during the reporting period for the calculation of the earnings per share was 21,955,562. The number of shares used to calculate the diluted earnings per share is equal to 22,045,727.

During the reporting period, the final dividend for the 2015 financial year was fixed at € 0.48 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 € 10,538,670.

# NOTES TO THE CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

## Other operating expenses

The other operating expenses consist of € 23.3 million in rental and leasing costs (2015: € 22.8 million). The remainder of these expenses consists mainly of selling and distribution costs.

## Income taxes

The effective tax rate for the first six months of the year increased from 25.3% to 27,3%.

# STATEMENT FROM THE MANAGEMENT BOARD

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

- the half-year figures 2016 give a true and fair view of the assets, liabilities, financial position, cash flows and profit or loss of the company and the entities included in the consolidation;

- the half-year figures 2016 give 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

# REVIEW REPORT

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

## Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the six-month period ended 30 June 2016 of Beter Bed Holding N.V., Uden, which comprises the condensed consolidated balance sheet as at 30 June 2016, the condensed consolidated income statement, the consolidated cash flow statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the selected explanatory notes for the six-month period then ended. The management board is responsible for the preparation and presentation of this (condensed) 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 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 company'. 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 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 condensed consolidated interim financial information for the six-month period ended 30 June 2016 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Eindhoven, 29 August 2016

PricewaterhouseCoopers Accountants N.V.

Original has been signed by W.C. van Rooij