



Uden, The Netherlands, 16 May 2014

## Trading update Q1 2014

### Beter Bed: First signs of recovery despite lower revenue

- **Net revenue in Q1 2014 falls by 5.9% to € 92.7 million (like-for-like: -4.1%).**
- **Gross profit increases by 0.5% to 56.9% also due to improved purchasing conditions.**
- **Operating expenses decrease by 2.5% to € 46.4 million.**
- **EBIT falls by 20.5% to € 6.4 million.**
- **Net total of 11 store closures; store base decreased by 4.1%.**
- **Start refined positioning and promotions in all countries.**

Revenue fell by 5.9% to € 92.7 million in the first quarter of 2014. Revenue at comparable stores decreased by 4.1% in the first quarter of 2014.

In Germany the decrease in revenue was caused primarily by a shift in the promotional calendar from the first to the second quarter. Revenue at comparable stores in Germany fell by 1.6% in the first quarter of 2014. Total revenue in Germany decreased by 0.6% in the first quarter of 2014.

In the Netherlands the decrease in revenue is primarily attributable to the weak order intake during the Christmas 2013 period and in January 2014. Revenue at comparable stores in the Netherlands fell by 9.1% in the first quarter of 2014, while total revenue dropped by 13.1%.

Revenues in Austria and Switzerland showed stable development in comparison to Q1 2013. Following a weak Christmas period and weak start in January, the stores in Spain show a clear revenue and profit recovery with like-for-like growth of 9.0% in Q1 2014.

A total of 10 stores were opened and 21 stores were closed in the first quarter of 2014. The aggregate number of stores at the end of the quarter amounted to 1,164. The average number of stores was 4.1% lower than in the comparable period of last year. This is primarily the result of the store closures in Spain in 2013 and the phasing out of the Slaapgenoten and Matrassen Concord formulas in the Netherlands and Belgium in 2014.

#### **Gross profit**

Gross profit rose to 56.9% in the first quarter of 2014 mainly as a result of improved purchasing conditions (Q1 2013: 56.4%).

#### **Expenses**

Mainly due to higher marketing spending and higher staff costs average expenses per store increased by 2.0% in the first quarter of 2014. Operational expenses decreased from € 47.6 million to € 46.4 million primarily as a result of the decrease in the average number of stores and additional cost-saving measures.

#### **Operating profit (EBIT)**

Due exclusively to the lower revenue operating profit fell by 20.5% from € 8.0 million to € 6.4 million.

## Developments

In the Netherlands we saw in March a cautious positive break in the trend in the development of the order intake and like-for-like growth thanks in part to the new advertising campaign. We have seen this development since February 2014 in Spain. The market conditions remain difficult in Germany with a continuing low consumer spending in the mattress segment. The mattress market once again decreased on a limited basis in the first quarter of 2014. The pilot with the sale of box springs in Germany is progressing positively.

Our formulas will be further refined both in terms of promotions and positioning in all countries in the months ahead. The related focus will be on increasing the like-for-like growth (number of visitors, conversion and average ticket) and further increasing customer satisfaction. Partially in light of the cautious recovery of the Dutch and Spanish markets, the company expects to see the effects of these measures reflected in revenue in the second half of the year.

## Profile

Beter Bed Holding N.V. operates in the European bedroom furnishings market. Its activities include retail trade through a total of 1,164 stores at the end of March 2014 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), and BeddenREUS and Slaapgenoten (both active in the Netherlands). 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 and the United Kingdom via its subsidiary DBC International. Beter Bed Holding N.V. achieved net revenue of € 357.4 million in 2013. More than 67% 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.

## For more information:

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