

BETER BED HOLDING

Half-year Results 2010

Beter Bed Holding N.V.

August 27th, 2010



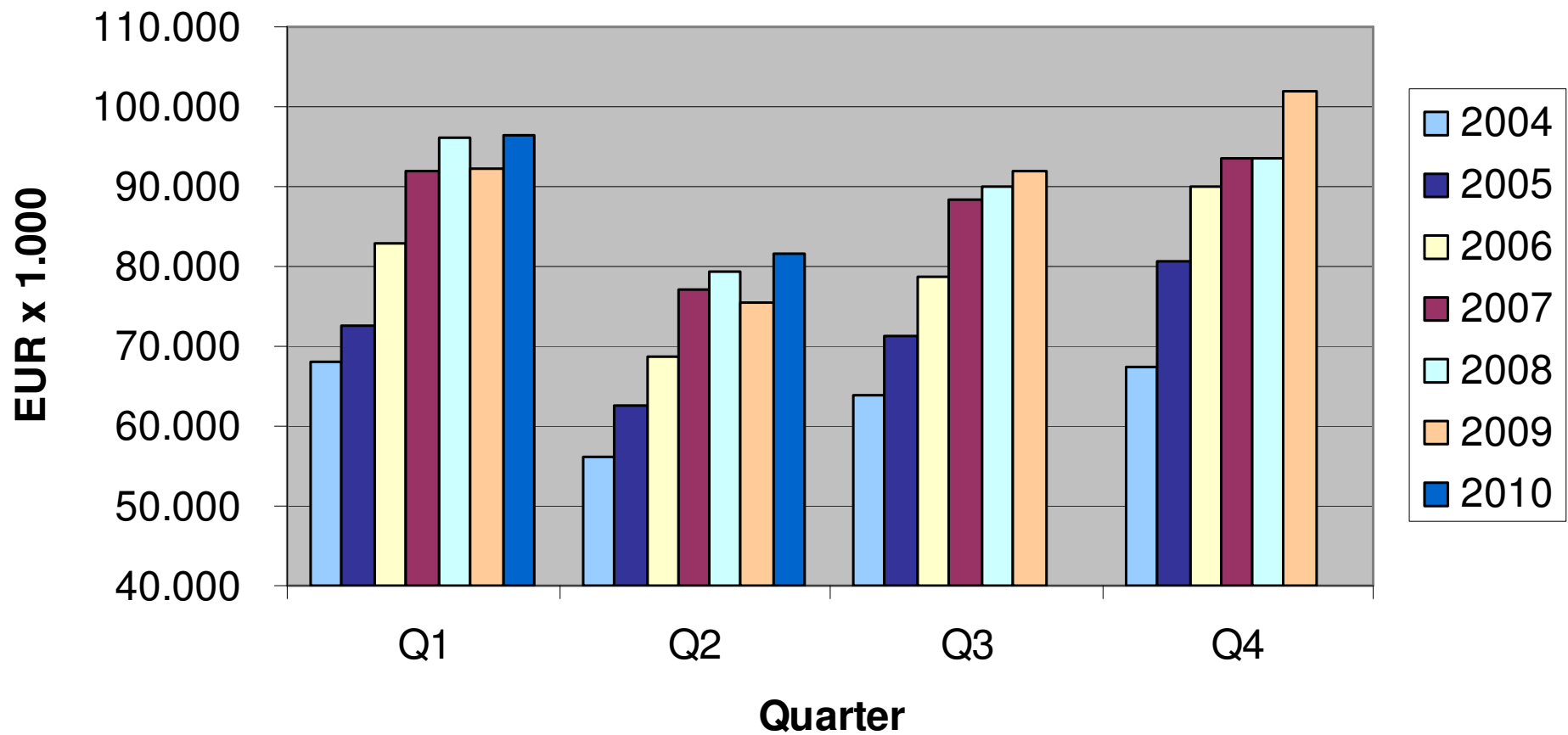
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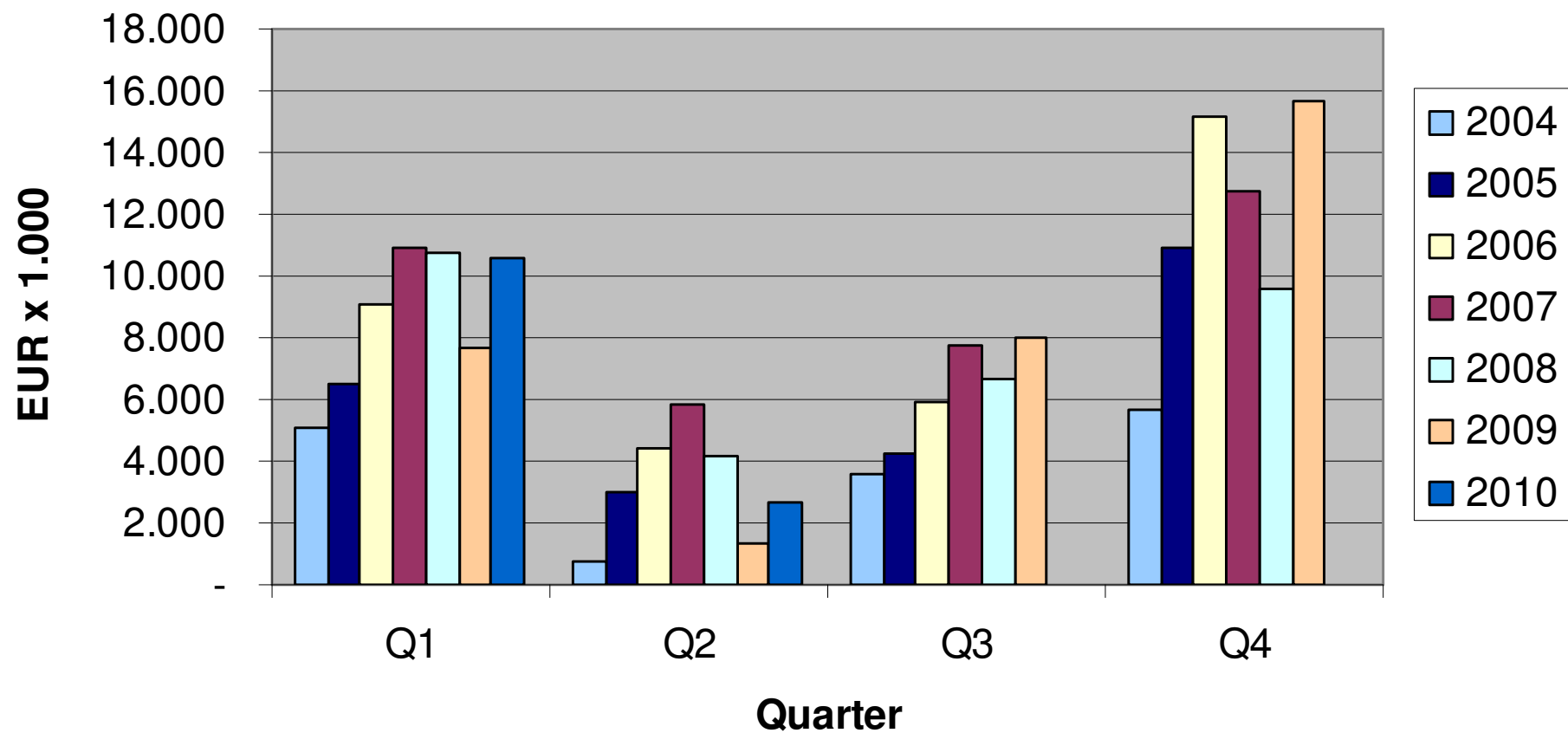
Agenda

- Financials
- Vision, mission and strategy
- Formulas
- Outlook
- Summary

Revenue per quarter



EBIT per quarter



Key data

| | H1-2010 | H1-2009 |
|----------------------|----------------|----------------|
| EPS (EUR) | 0,46 | 0,29 |
| Cash flow (EUR M) | 13,7 | 10,1 |
| Capex (EUR M) | 4,0 | 2,8 |
| Total assets (EUR M) | 97,2 | 91,2 |
| Sales/stocks | 6,9 | 6,9 |

P & L H1-2010

(* EUR 1.000)

| | 2010 | | 2009 | |
|--------------------------|---------------|-------|---------------|-------|
| Net sales | 178.151 | | 167.723 | |
| Cost of sales | <u>80.357</u> | | <u>77.510</u> | |
| Gross margin | 97.794 | 54,9% | 90.213 | 53,8% |
| Staff costs | 39.824 | | 38.458 | |
| Depreciation | 3.865 | | 3.853 | |
| Other operating expenses | <u>40.855</u> | | <u>38.945</u> | |
| Total operating expenses | <u>84.544</u> | 47,5% | <u>81.256</u> | 48,4% |
| EBIT | 13.250 | 7,4% | 8.957 | 5,3% |
| Financial expenses | -230 | | -319 | |
| Tax | <u>-3.150</u> | | <u>-2.422</u> | |
| Net profit | 9.870 | 5,5% | 6.216 | 3,7% |

Consolidated Balance sheet

Total Assets

(* EUR 1.000)

| | 30-06 2010 | 30-06 2009 | 31-12 2009 |
|---------------------------|-----------------------|-----------------------|-----------------------|
| Tangible fixed assets | 29.649 | 30.745 | 29.663 |
| Intangible fixed assets | 3.811 | 3.811 | 3.811 |
| Financial fixed assets | 1.206 | 656 | 1.038 |
| Stocks | 51.345 | 48.165 | 51.467 |
| Debtors | 5.191 | 4.581 | 5.942 |
| Cash and cash equivalents | 5.963 | 3.269 | 17.156 |
| Total | <u>97.165</u> | <u>91.227</u> | <u>109.077</u> |

Consolidated Balance sheet

Total Liabilities

(* EUR 1.000)

| | 30-06 2010 | 30-06 2009 | 31-12 2009 |
|-----------------------|-----------------------|-----------------------|-----------------------|
| Capital and reserves | 51.392 | 44.141 | 55.052 |
| Long-term liabilities | 7.816 | 9.792 | 8.816 |
| Credit institutions | 2.000 | 4.560 | 2.000 |
| Current liabilities | 35.957 | 32.734 | 43.209 |
| Total | <u>97.165</u> | <u>91.227</u> | <u>109.077</u> |

Cash flow (1/2)

EUR x 1.000

2010-H1

2009-H1

| | | |
|---------------------------------------|--------|--------|
| Operating result | 13.250 | 8.957 |
| Paid financial expenses | 230- | 319- |
| Paid income taxes | 5.029- | 3.250- |
| Depreciation | 3.865 | 3.853 |
| Costs of employee share options | 168 | 105 |
| Movement in: | | |
| Stocks | 122 | 1.227 |
| Debtors | 751 | 1.529 |
| Creditors | 5.541- | 4.711- |
| Other | 57 | 14 |
| Cash flow from operational activities | 7.413 | 7.405 |

Cash flow (2/2)

EUR x 1.000

| | 2010-H1 | 2009-H1 |
|---------------------------------------|---------|---------|
| Cash flow from operational activities | 7.413 | 7.405 |
| Additions to tangible fixed assets | 3.991- | 2.831- |
| Disposals of tangible fixed assets | 140 | 173 |
| Cash flow from investing activities | 3.851- | 2.658- |
| Long-term loan | - | 10.000 |
| Repayment of long-term liabilities | 1.000- | - |
| Income from the issue of shares | 1.098 | - |
| Dividend paid | 14.853- | 4.897- |
| Cash flow from financing activities | 14.755- | 5.103 |
| Net cash flow | 11.193- | 9.850 |

Vision

Market leader in “Value for Money” segment in Bedding Market in Europe

Mission

**“Hard at work on a good
night’s rest”**

Objectives

- Ensure that the retail formulas of the company are sharply positioned to optimally tap into growth opportunities
- Improving net profit, regardless of the market conditions
- Emphasis on cash flow and strong balance sheet

Strategy (1)

- Supply chain management and continuous optimization of business processes on the basis of IT systems
- Retail formula, brand and product development on the basis of differentiating power and buying power
- Low investments per store in combination with flexibility in the lease contracts
- Expansion of the store base
- Reduction of the costs per store

Strategy (2)

- In 2010 and beyond the focus will be on:
 - expansion of the store base
 - increase and extend the differentiating power of retail formulas, brands and products
 - promotional activities
 - cost reductions
 - gross margin improvement

Breakdown of revenue

(* EUR M)

| | H1-2010 | H1-2009 | %+/- vs. 2009 | |
|------------------------|----------------|----------------|----------------------|------------|
| | | | Total | LFL |
| Matratzen Concord | 100,0 | 96,6 | 3,5 | 2,3- |
| Beter Bed | 56,6 | 50,4 | 12,5 | 7,6 |
| DBC | 8,3 | 6,1 | 36,6 | - |
| El Gigante del Colchón | 6,1 | 6,7 | 9,1- | 14,9- |
| BeddenReus | 6,8 | 6,2 | 9,9 | 7,7 |
| Slaapgenoten/Dormaël | 4,1 | 3,6 | 14,5 | 10,1 |
| MAV | 1,4 | 1,7 | 18,7- | 4,7- |
| Intercompany | 5,2- | 3,5- | 46,4 | - |
| Total | 178,1 | 167,7 | 6,2 | 1,0 |

Gross margin

| % | 2010 | 2009 | 2008 | 2007 | 2006 |
|------|------|------|------|------|------|
| Q1 | 54,8 | 53,5 | 53,3 | 52,2 | 52,0 |
| Q2 | 55,0 | 54,2 | 54,6 | 54,1 | 53,2 |
| Q3 | | 54,2 | 53,9 | 53,2 | 51,6 |
| Q4 | | 56,7 | 56,3 | 55,6 | 56,6 |
| Year | 54,9 | 54,7 | 54,5 | 53,7 | 53,4 |

Like-for-Like development

| % | 2010 | 2009 | 2008 | 2007 |
|------|------|-------|------|------|
| Q1 | +1,4 | -12,6 | -4,8 | +3,0 |
| Q2 | +0,8 | -4,8 | -8,4 | +4,7 |
| Q3 | | -3,1 | -4,5 | +1,5 |
| Q4 | | +7,9 | -7,6 | -5,6 |
| Year | +1,0 | -3,1 | -6,2 | +0,5 |

Costs per store

Costs per store decreased by:

- 1% in 2007
- 2% in 2008
- 5% in 2009

Costs per store increased by 1% in first half of 2010 mainly due to increased distribution and advertising costs, with a low growth in number of stores

Number of stores per formula

| | 31-12 2009 | + | - | 30-06 2010 |
|------------------------|-----------------------|-----------|-----------|-----------------------|
| Matratzen Concord | 862 | 41 | 19 | 884 |
| Beter Bed | 84 | 1 | 1 | 84 |
| El Gigante del Colchón | 51 | 7 | 7 | 51 |
| BeddenREUS | 34 | 2 | 3 | 33 |
| Slaapgenoten/Dormaël | 12 | -- | -- | 12 |
| MAV | 21 | -- | -- | 21 |
| Total | <u>1.064</u> | <u>51</u> | <u>30</u> | <u>1.085</u> |

Number of stores per country

| | 31-12 | + | - | 30-06 |
|-----------------|--------------|-----------|-----------|--------------|
| | 2009 | | | 2010 |
| Austria | 46 | 2 | 1 | 47 |
| Belgium | 7 | -- | -- | 7 |
| Germany | 761 | 28 | 14 | 775 |
| The Netherlands | 162 | 9 | 7 | 164 |
| Poland | 3 | 1 | -- | 4 |
| Spain | 51 | 7 | 7 | 51 |
| Switzerland | 34 | 4 | 1 | 37 |
| Total | <u>1.064</u> | <u>51</u> | <u>30</u> | <u>1.085</u> |

Beter Bed

- Very weak like-for-like development in June/July after strong first five months of 2010
- Order book development



Matratzen Concord/MAV

- Extreme weather conditions in first quarter 2010 only partially compensated in second quarter
- Experiments with advertising

El Gigante del Colchón

- Market still very poor though second quarter showed best like-for-like performance for the last seven quarters
- Cost base & retail format adjustments
- Recently opened stores perform above average
- Stores with negative cash flow will be closed



Other

- DBC
- BeddenREUS
- Slaapgenoten

Outlook

- From August onward increasing number of store visitors in the Netherlands and Germany
- When positive trend continues in September net profit to be expected at least € 4,8 million in Q3 2010 (Q3 2009: € 5,8 million)

Summary H1-2010

- Revenue: +6,2%
- 21 net store openings
- EBIT margin: 7,4% (2009: 5,3%)
- Net profit: € 9,9 million (2009: € 6,2 million)
- Expected net profit for Q3: approx. € 4,8 million (Q3 2009: € 5,8 million)

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Half-year Results 2010

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