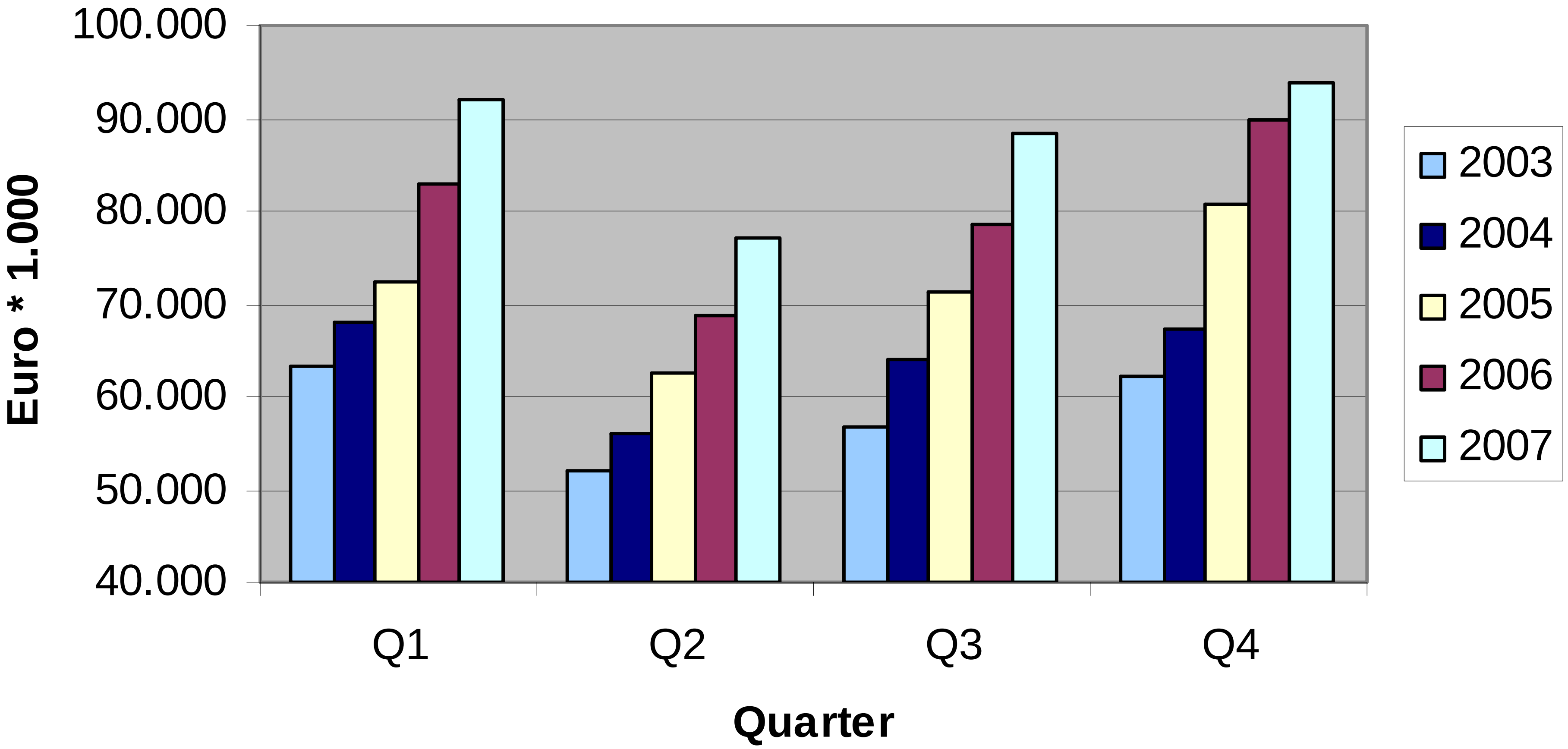
# Annual Results 2007

March 14th, 2008

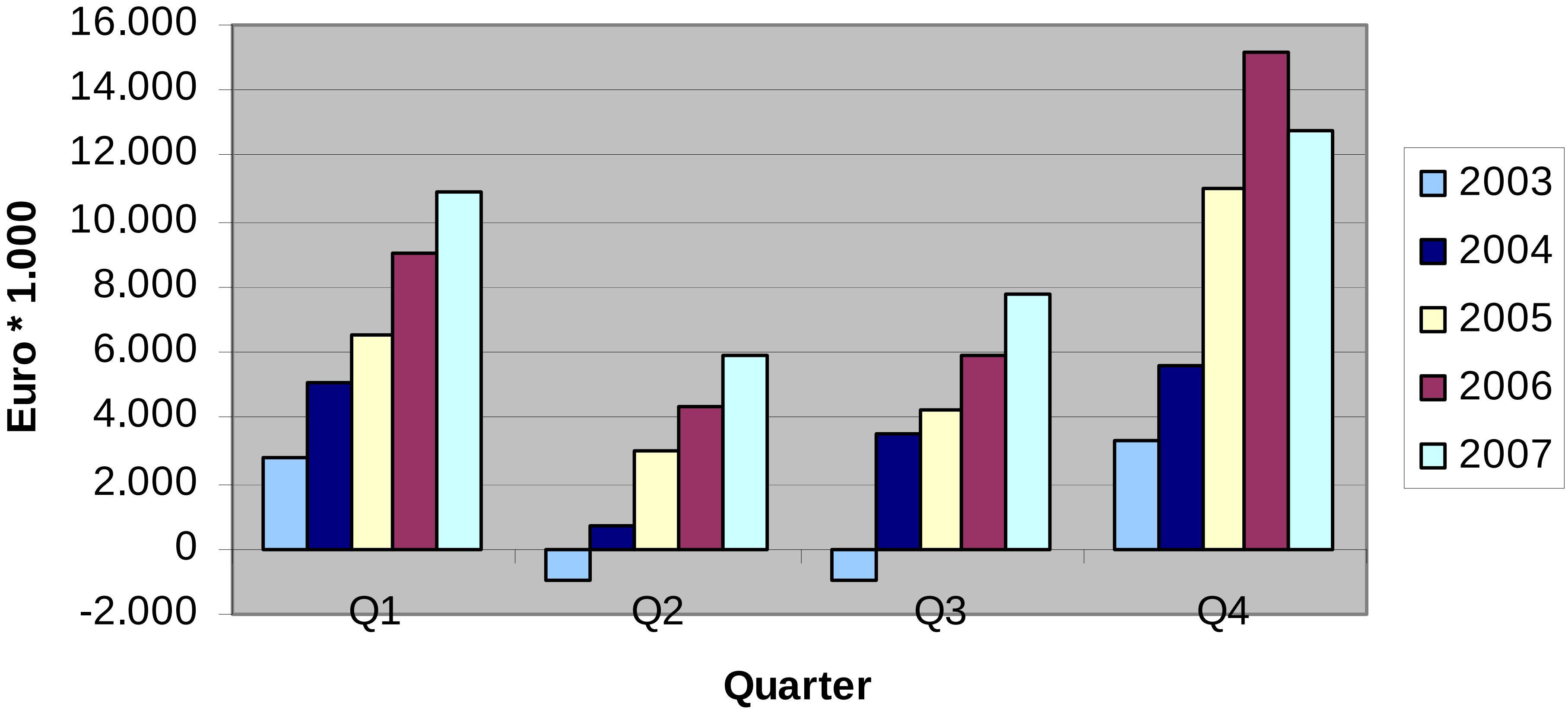
# Agenda

- Financials
- Objectives and policy
- Formulas
- Dividend policy
- Summary

# Revenue per quarter



# EBIT per quarter



# Key data

| | 2007 | 2006 |
|---|---|---|
| EPS (EUR) | 1,27 | 1,10 |
| Dividend | 1,05 | 0,90 |
| Pay-out ratio | 83% | 82% |
| *(incl. share buy back)* | *100%* | |
| Cash flow (EUR M) | 34,5 | 29,9 |
| Capex (EUR M) | 10,8 | 7,7 |
| | | |
| Total assets (EUR M) | 95,2 | 83,0 |
| Revenue/stocks | 7,8 | 8,3 |

# P & L 2007

| (* EUR 1.000) | 2007 | | | 2006 | | |
|---|---|---|---|---|---|---|
| Revenue | 351.171 | | | 320.017 | | |
| Cost of sales | 162.430 | | | 148.993 | | |
| Gross margin | | 188.741 | 53,7% | | 171.024 | 53,4% |
| Staff costs | 73.093 | | | 66.168 | | |
| Depreciation | 6.974 | | | 6.117 | | |
| Other operating expenses | 71.328 | | | 64.258 | | |
| Total operating expenses | | 151.395 | 43,1% | | 136.543 | 42,7% |
| EBIT | | 37.346 | 10,6% | | 34.481 | 10,8% |
| Financial expenses | | -472 | | | -636 | |
| Tax | | -9.302 | | | -10.015 | |
| Net profit | | 27.572 | 7,9% | | 23.830 | 7,4% |

# Consolidated Balance sheet

## Total Assets

| * EUR 1.000 | 31-12-2007 | 31-12-2006 |
|---|---|---|
| Tangible fixed assets | 29.688 | 24.420 |
| Intangible fixed assets | 3.811 | 3.811 |
| Stocks | 49.763 | 40.275 |
| Debtors, prepayments and accrued income | 5.338 | 4.907 |
| Cash and cash equivalents | 6.560 | 9.544 |
| Total | 95.160 | 82.957 |

# Consolidated Balance sheet

## Total Liabilities

| * EUR 1.000 | 31-12-2007 | 31-12-2006 |
|---|---|---|
| Equity attributable to equity holders of the parent | 45.066 | 42.701 |
| Long-term liabilities | 1.772 | 1.551 |
| Short-term bank loan | 14.065 | 1.000 |
| Current liabilities | 34.257 | 37.705 |
| Total | 95.160 | 82.957 |

# Cash flow (1/2)

| * EUR 1.000 | 2007-Q4 | | 2006-Q4 | |
|---|---|---|---|---|
| Net profit | 27.572 | | 23.830 | |
| Depreciation | 6.974 | | 6.117 | |
| Movement in: | | | | |
| Stocks | 9.488- | | 3.486- | |
| Debtors | 431- | | 1.513- | |
| Creditors | 3.448- | | 3.724 | |
| Deferred tax obligations | 191 | | 37 | |
| Other | 14 | | 11- | |
| Cash flow from operational activities | | 21.384 | | 28.698 |

# Cash flow (2/2)

| * EUR 1.000 | 2007-Q4 | | 2006-Q4 | |
|---|---|---|---|---|
| Cash flow from operational activities | | 21.384 | | 28.698 |
| Total investments | | 10.497- | | 7.655- |
| Issue of new shares | 552 | | - | |
| Costs of employee share options | 484 | | 316 | |
| Repayment of loans | 417- | | 1.000- | |
| Dividend | 21.737- | | 14.934- | |
| Share buy back | 5.818- | | - | |
| Cash flow from financing activities | | 26.936- | | 15.618- |
| Net cash flow | | 16.049- | | 5.425 |

# Objectives

- Improving net profit, regardless of the market conditions
- Realisation of EBIT margin of more than 12,5%

# Policy

- Increase sales through promotions and new products
- Increase gross margin
- Reduce costs per store
- Profitable expansion

# Breakdown of revenue

| * EUR M | | | % +/- vs. 2006 | |
|---|---|---|---|---|
| | 2007 | 2006 | Total | LFL |
| Matratzen Concord | 192,8 | 175,1 | 10,1 | 3,0 |
| Beter Bed | 117,0 | 112,7 | 3,9 | -0,9 |
| DBC | 15,4 | 12,0 | 27,7 | --- |
| El Gigante del Colchón | 13,9 | 13,0 | 6,9 | -16,1 |
| BeddenREUS | 12,7 | 9,5 | 34,1 | 11,7 |
| Slaapgenoten/Dormaël | 6,7 | 4,7 | 42,5 | 3,9 |
| MAV | 1,9 | 0,1 | --- | --- |
| Intercompany | -9,3 | -7,1 | 30,5 | --- |
| Total | 351,2 | 320,0 | 9,7 | 0,5 |

# Gross margin

| % | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|
| Q1 | 52,2 | 52,0 | 52,3 | 52,1 |
| Q2 | 54,1 | 53,2 | 52,9 | 52,1 |
| Q3 | 53,2 | 51,6 | 52,1 | 51,9 |
| Q4 | 55,6 | 56,6 | 55,0 | 54,7 |
| Year | 53,7 | 53,4 | 53,2 | 52,7 |

# Costs per store

Costs per store decreased by:

- 6% in 2002
- 4% in 2003
- 3% in 2004
- 4% in 2005
- 3% in 2006
- 1% in 2007

# Number of stores

| | 31-12 2006 | + | - | 31-12 2007 |
|---|---|---|---|---|
| Matratzen Concord | 691 | 114 | 37 | 768 |
| Beter Bed | 78 | 8 | 2 | 84 |
| El Gigante del Colchón | 32 | 9 | 1 | 40 |
| BeddenREUS | 24 | 9 | 2 | 31 |
| Slaapgenoten/Dormaël | 9 | 2 | - | 11 |
| MAV | 5 | 23 | 2 | 26 |
| Total | 839 | 165 | 44 | 960 |

# Matratzen Concord

- Difficult start of the year due to VAT increase
- Gross margin improvement in second half year
- High expansion rate (net 77 new stores)

MATRATZEN CONCORD
EUROPAS GRÖSSTE MATRATZENKETTE

# Beter Bed

- Again very good year with above average EBIT margin
- High number of new stores
- Resulting in pressure on LFL
- Outperforming the market

# El Gigante del Colchón

- Difficult market circumstances since week 11 of 2007
- Decreasing rent prices since Q4
- Store openings as of Q4
- Start in Madrid region

EL GIGANTE DEL COLCHÓN
líder en descanso

# Other

- BeddenREUS
- Slaapgenoten/Dormaël
- MAV
- DBC
- Other

# Dividend policy

- Pay-out ratio >50%
- Partly as interim dividend
- Conditions:
  - Solvency >30% (2007: 47,4%)
  - Ratio interest bearing debt/EBITDA<2 (2007: 0,2)

# Proposed dividend/share buy back

- EPS € 1,27
- Interim dividend € 0,35
- Proposed final dividend € 0,70
- Pay-out ratio 83%

- Proposal to AGM to continue share buy back program

# Summary 2007 (1)

- VAT increase in Germany
- Increasing uncertainty with consumers, also because of headlines
- High expansion rate

# Summary 2007 (2)

- Net profit increased to € 27,6 million (2006: € 23,8 million)
- EPS € 1,27 (2006: € 1,10)
- Dividend proposal € 1,05 (2006: € 0,90)

# Outlook

- Q1-08 will be influenced negatively by:
  - Extremely early carnival
  - Very early Easter
  - Tax credit regarding options
- Worst case net profit Q1 is € 7 million (2007: € 8,9 million)
- Easter effect expected to be compensated in April
- Consumer confidence unclear

BETER BED HOLDING

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