

BETER BED HOLDING

Annual Results 2010

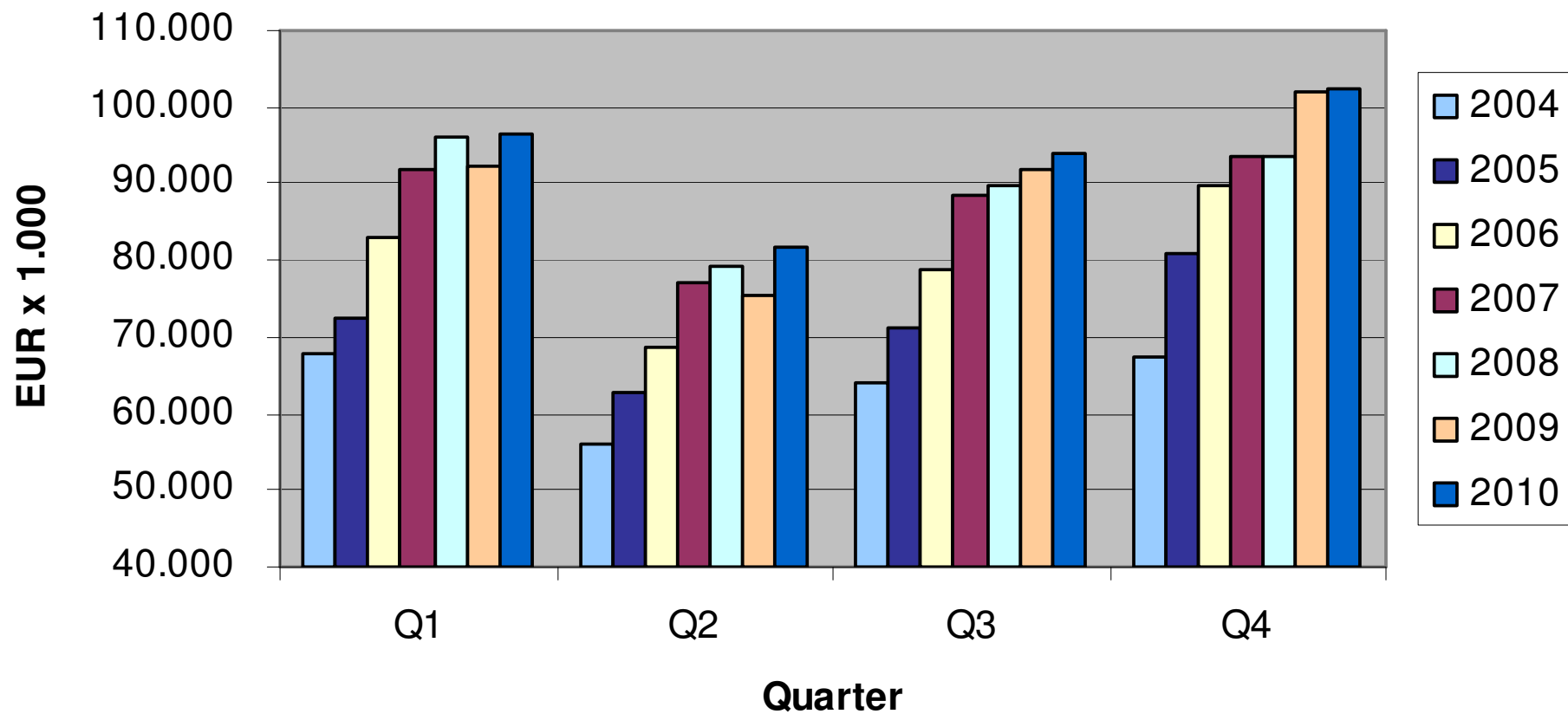
March 10th, 2011



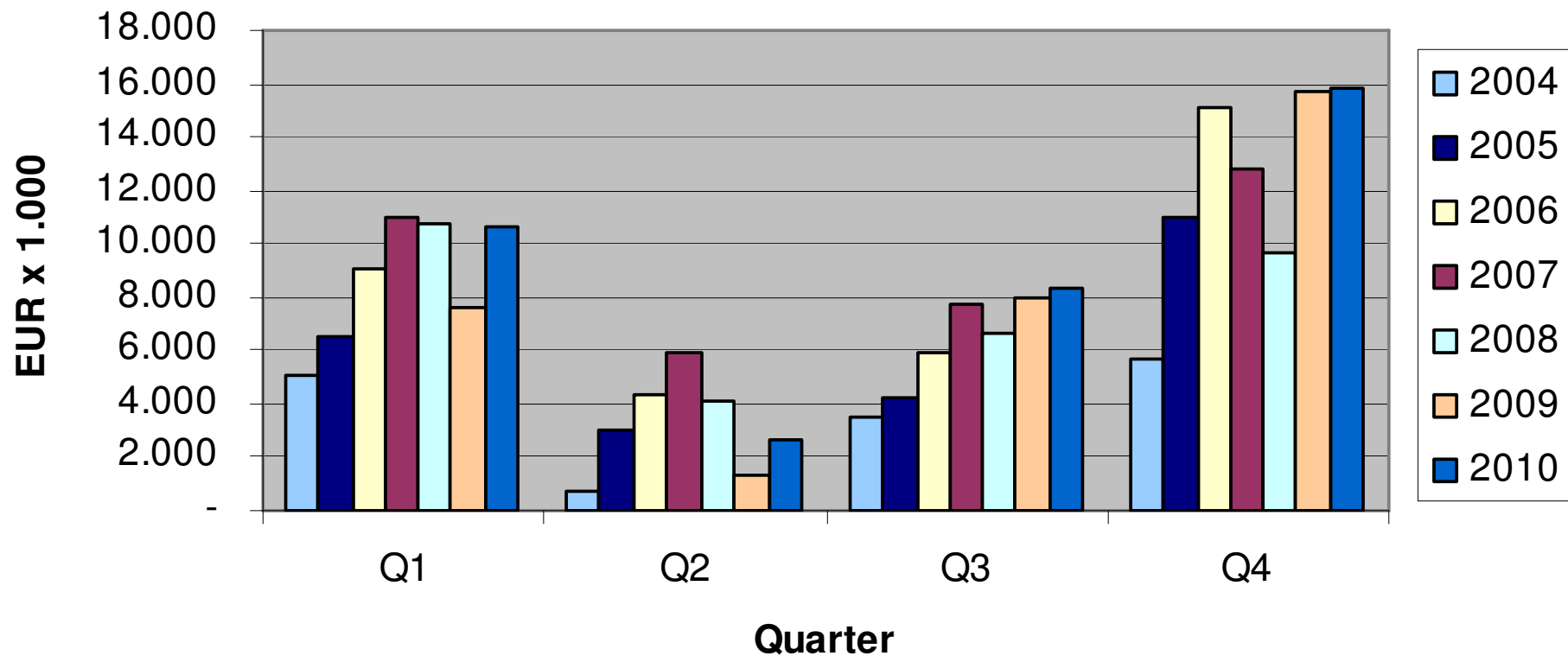
Agenda

- Financials
- Objectives, strategy and CSR
- Formulas
- Outlook
- Summary

Revenue per quarter



EBIT per quarter



Key data

	2010	2009
EPS (EUR)	1,30	1,12
Dividend (EUR)	1,30	1,04
Cash flow (EUR M)	35,8	31,7
Capex (EUR M)	8,2	6,3
Total assets (EUR M)	114,0	109,1
Sales/stocks	6,6	7,2

P & L 2010

EUR x 1.000

	2010		2009	
Revenue	374.724		361.470	
Cost of sales	<u>165.217</u>		<u>163.638</u>	
Gross margin	209.507	55,9%	197.832	54,7%
Staff costs	81.190		78.238	
Depreciation	7.848		7.750	
Other operating expenses	<u>83.009</u>		<u>79.206</u>	
Total operating expenses	<u>172.047</u>	45,9%	<u>165.194</u>	45,7%
EBIT	37.460	10,0%	32.638	9,0%
Financial expenses	-389		-660	
Tax	<u>-9.134</u>		<u>-8.060</u>	
Net profit	27.937	7,5%	23.918	6,6%

P & L Q4-2010

EUR x 1.000

	2010		2009	
Revenue	102.591		101.857	
Cost of sales	<u>42.580</u>		<u>44.075</u>	
Gross margin	60.011	58,5%	57.782	56,7%
Staff costs	21.171		20.148	
Depreciation	1.989		1.945	
Other operating expenses	<u>21.023</u>		<u>19.995</u>	
Total operating expenses	<u>44.183</u>	43,1%	<u>42.088</u>	41,3%
EBIT	15.828	15,4%	15.694	15,4%
Financial expenses	-69		-157	
Tax	<u>-3.856</u>		<u>-3.648</u>	
Net profit	11.903	11,6%	11.889	11,7%

Consolidated Balance sheet

Total Assets

EUR x 1.000

	31-12 2010	31-12 2009
Tangible fixed assets	29.405	29.663
Intangible fixed assets	3.811	3.811
Financial fixed assets	1.206	1.038
Stocks	56.633	51.467
Debtors	6.161	5.942
Cash at bank and in hand	16.761	17.156
Total	<u>113.977</u>	<u>109.077</u>

Consolidated Balance sheet

Total Liabilities

EUR x 1.000

	31-12 2010	31-12 2009
Capital and reserves	60.851	55.052
Long-term liabilities	6.924	8.816
Short-term bank loans	2.000	2.000
Current liabilities, accruals and deferred income	44.202	43.209
Total	<u>113.977</u>	<u>109.077</u>

Cash flow (1/2)

EUR x 1.000

	2010	2009
Operating result	37.460	32.638
Paid financial expenses	389-	660-
Depreciation	7.848	7.750
Paid income taxes	8.626-	6.772-
Costs of employee share options	507	247
Movement in:		
Stocks	5.166-	2.074-
Debtors	219-	168
Creditors	425	5.334
Other	269	7
Cash flow from operational activities	32.109	36.638

Cash flow (2/2)

EUR x 1.000

	2010	2009
Cash flow from operational activities	32.109	36.638
Additions to tangible fixed assets	8.151-	6.331-
Disposals of tangible fixed assets	<u>659</u>	<u>683</u>
Cash flow from investing activities	7.492-	5.648-
Long-term loan	-	10.000
Repayment of long-term liabilities	2.000-	1.000-
Income from the issue of shares	1.959	664
Dividend paid	<u>24.971-</u>	<u>12.357-</u>
Cash flow from financing activities	<u>25.012-</u>	<u>2.693-</u>
Net cash flow	<u><u>395-</u></u>	<u><u>28.297</u></u>

Vision

Market leader in “Value for Money” segment in bed and mattress market in Europe



BETER BED HOLDING

Mission

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

Objectives

- Ensure that the company is positioned to optimally tap into growth opportunities
- Increasing net profit, regardless of the market conditions and consumer confidence
- Strong and healthy balance sheet

Strategy (1)

- Retail format management
 - Increase like-for-like growth
 - Increase and extend the differentiating power of retail formulas, brands and products
 - Become an active player online sales
- Expansion of the store base preferably with flexible leases and low investments per store
- Strict cost control without becoming “pennywise-pound foolish”

Strategy (2)

- Excellent management information based on state-of-the art IT systems and a “measuring = knowing” culture
- Manage the supply chain as efficiently and effectively as possible
- Team and people development through in company training and the introduction of the core Beter Bed values

Corporate Social Responsibility

- New CSR policy will be published with annual report on March 17th
- The new CSR policy includes Code of Conduct
- Reporting on specific issues via www.beterbedholding.com will start from second half 2011

Breakdown of revenue

EUR x 1,0 million

%+/- vs. 2009

	2010	2009	Total	LFL
Matratzen Concord	216,3	212,2	1,9	3,9-
Beter Bed	113,7	107,4	5,9	3,0
DBC	16,5	12,7	30,1	---
El Gigante del Colchón	13,1	13,3	1,4-	8,4-
BeddenREUS	14,3	12,9	11,3	7,6
Slaapgenoten/Dormaël	8,2	7,2	13,7	6,0
MAV	3,0	3,3	10,6-	1,3
Intercompany	10,3-	7,4-	37,7	---
Total	374,7	361,5	3,7	1,3-

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	55,0	54,2	53,9	53,2	51,6
Q4	58,5	56,7	56,3	55,6	56,6
Year	55,9	54,7	54,5	53,7	53,4

Like-for-Like development

%	2010	2009	2008	2007	2006
Q1	+1,4	-12,6	-4,8	+2,9	+0,8
Q2	+1,0	-4,8	-8,4	+4,7	+0,9
Q3	-1,8	-3,1	-4,5	+1,5	-2,6
Q4	-4,5	+7,9	-7,6	-5,8	+5,8
Year	-1,3	-3,1	-6,2	+0,5	+1,1

Costs per store

- Cost per store increased marginally for 2010 (+0,3%) and for the 4th quarter 2010 (+0,2%)
- Since third quarter 2010 costs for DBC/M Line are excluded in this metric

Number of stores per formula

	31-12 2009	+	-	31-12 2010
Matratzen Concord	862	95	42	915
Beter Bed	84	2	1	85
El Gigante del Colchón	51	11	9	53
BeddenREUS	34	4	3	35
MAV	21	--	4	17
Slaapgenoten/Dormaël	12	--	--	12
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Total	1.064	112	59	1.117

Number of stores per country

	31-12 2009	+	-	31-12 2010
Austria	46	7	1	52
Belgium	7	1	--	8
Germany	761	70	39	792
The Netherlands	162	15	7	170
Poland	3	1	--	4
Spain	51	11	9	53
Switzerland	34	7	3	38
Total	<u>1.064</u>	<u>112</u>	<u>59</u>	<u>1.117</u>

Beter Bed

- Very strong performance in 2010 in tough market conditions
- Order book development
- Co-operation with wehkamp.nl



Matratzen Concord

- Weak 4th quarter, December in particular
- Focus on continued expansion

El Gigante del Colchón

- Positive like-for-like growth in fourth quarter 2010 (+4%)
- Expansion opportunities



Other

- MAV
- DBC
- BeddenREUS
- Slaapgenoten

Dividend policy

- Pay-out ratio $> 50\%$
- Partly as interim dividend
- Conditions:
 - Solvency $> 30\%$ (2010: 53,4%)
 - Ratio interest bearing debt/EBITDA < 2 (2010: 0,15)

Proposed dividend

- EPS: € 1,30
- DPS: € 1,30 (pay-out ratio: 100%)
- Interim dividend: € 0,47
- Proposed final dividend: € 0,83

Outlook

- Lower order book end of Q4 2010 had a negative effect on turnover development in Q1 2011
- One off tax advantage of € 0,4 million in Q1 2010
- Despite these developments we expect net profit Q1 2011 to be at least equal to net profit Q1 2010

Summary (1)

- Number of stores: + 5,0%
- Like-for-Like 2010: - 1,3%
- Revenue: + 3,7%
- EBIT: +14,8%
- Net profit: +16,8%

Summary (2)

- 2010: record year for net sales, gross margin and net profit
- Net profit: € 27,9 million (2009: € 23,9 million)
- Dividend proposal: € 1,30 (2009: € 1,04)
- Outlook: Expected net profit Q1 2011 to be at least equal to net profit Q1 2010

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