



B E T E R B E D H O L D I N G
Hard at work on a good night's rest

PRESS RELEASE

Uden, the Netherlands, 28 August 2009

Beter Bed: profit of €6.2 million in 1st half 2009

Beter Bed Holding N.V. achieved net profit of €6.2 million in the first six months of 2009 (first six months of 2008: €10.9 million). This corresponds with the forecast stated in conjunction with the publication of the revenue figures in July 2009. Revenue in the first six months of 2009 decreased by 4.3% to a total of €167.7 million (first six months of 2008: €175.3 million). The company forecasts net profit of approximately €3.5 million in the third quarter of 2009 (third quarter 2008: €4.3 million).

Results in the first six months of 2009

Revenue performance per country was as follows:

Netherlands	-14%
Germany	3%
Austria	20%
Switzerland	16%
Spain	-8%
Belgium	81% (from 3 to 5 stores)
Poland	not available / first store opening in December 2008

Market conditions were unfavourable during the first six months of 2009 in all of the countries in which Beter Bed Holding is active. Revenue at comparable stores decreased by more than 9%. Revenue at comparable stores in the Netherlands, Germany, Spain and Switzerland decreased by 13%, 6%, 21% and 6% respectively. Austria was the only country in which there was an increase in revenue at comparable stores totalling +4%. Performance was better in the second quarter than in the first quarter in all countries with the exception of Switzerland.

While the policy of store expansion and closing poorly performing stores remains unchanged, more stores than normal are unable to meet the predetermined objectives owing to the difficult market conditions. As a result the company opened 56 stores and closed 40 stores during the period under review. This resulted on balance in an increase of 16 stores in the first six months of 2009. There were a total of 1,052 stores at the end of June 2009.

Number of stores	31-12-2008	Closed	Opened	30-06-2009
Matratzen Concord (including MAV)	857	31	50	876
Beter Bed	84	2	2	84
El Gigante del Colchón	50	5	2	47
BeddenReus	33	2	2	33
Slaapgenoten/Dormaël Slaapkamers	12	-	-	12
Total	1,036	40	56	1,052

At 53.8%, gross profit was virtually the same as in the first six months of 2008 (53.9%).

Operating expenses increased by 2.2% from € 79.5 million (45.4% of revenue) to € 81.3 million (48.4% of revenue). The rise in operating expenses is attributable to the growth in the number of stores. The measures taken in the field of cost savings made it possible to reduce average costs per store by 5% in the first six months of 2009.

Operating profit (EBIT) amounted to € 9.0 million (5.3% of revenue) compared to € 14.9 million (8.5% of revenue) in the first six months of 2008. Net profit amounted to € 6.2 million compared to € 10.9 million in the first six months of 2008.

Performance in second quarter

While the second quarter of 2009 began weak, there was a clear improvement in May and June. Revenue nevertheless decreased from € 79.3 million in the second quarter of 2008 to € 75.5 million in the second quarter of 2009. Even though the development of revenue at comparable stores in the second quarter of 2009 amounted to -4.8%, this was significantly better than in the first quarter of 2009 (-12.6%). Gross profit was marginally lower at 54.2% than in the second quarter of 2008 (54.6%). Operational expenses increased as a percentage of revenue from 49.3% in the second quarter of 2008 to 52.4% in the second quarter of 2009. Operating profit (EBIT) amounted to € 1.3 million compared to € 4.1 million in the second quarter of 2008. Net profit totalled € 0.8 million in the second quarter of 2009 (second quarter 2008: € 2.9 million). Revenue and profit are normally lower during the second and third quarters than in the first and fourth quarters due to the seasonal pattern in consumer demand.

Financing and cash flow

A loan of € 10 million was agreed with a German bank in June 2009. This loan has a term of five years with a fixed interest rate of 4.75% and will be repaid monthly on a linear basis. Net debt at the end of June 2009 totalled € 9.3 million (end of December 2008: € 11.1 million). Solvency at the end of the second quarter amounted to 48.4%, in comparison to 44.0% at the end of 2008.

Outlook

Based on developments in the third quarter until now, barring unforeseen circumstances, net profit of approximately € 3.5 million is forecast for the third quarter of 2009 (third quarter 2008: € 4.3 million).

The company's profit depends to a large extent on the development of revenue. Owing to the still low level of consumer confidence and the related capricious consumer behaviour, this component remains difficult to predict. The company's profit is, however, normally speaking better in the second six months than in the first six months of the year.

Interim dividend

The company intends to also pay out an interim dividend in 2009. As is customary, further information regarding this interim payout will be provided upon publication of the third quarter figures on 30 October 2009.

Profile

Beter Bed operates in the European bedroom furnishings market. Its activities include retail trade through a total of approximately 1,050 stores that operate via the chains Beter Bed (active in the Netherlands), Matratzen Concord (active in Germany, the Netherlands, Austria, Switzerland, Belgium and Poland), El Gigante del Colchón (active in Spain), BeddenReus, Dormaël and Slaapgenoten (all three active in the Netherlands) and MAV (active in Germany). Beter Bed Holding is also active in the field of developing and wholesaling branded products in the bedroom furnishings sector in the Netherlands, Belgium, Germany and Spain via its subsidiary DBC International. Beter Bed Holding achieved net revenue of €358.6 million in 2008. The company has been listed on Euronext Amsterdam since December 1996. The Beter Bed Holding share is included in the Amsterdam Small Cap Index.

APPENDIX:

- **Half-year results 2009**

This press release/interim report should be viewed in connection with the half-year results 2009 in the appendix.

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BETER BED HOLDING NV

HALF-YEAR RESULTS 2009

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1. Consolidated balance sheet

(* EUR 1.000)	30-6-2009	30-6-2008	31-12-2008
Fixed assets	30.745	30.793	31.940
Intangible fixed assets	3.811	3.811	3.811
Financial fixed assets	656	-	528
Stocks	48.165	45.182	49.393
Debtors	4.581	5.769	6.110
Cash and cash equivalents	3.269	5.468	5.196
TOTAL ASSETS	91.227	91.023	96.978
Equity attributable to equity holders of the parent	44.141	37.096	42.703
Long-term liabilities	9.792	1.660	1.748
Short-term bank loans	4.560	20.338	16.337
Short- term liabilities	32.734	31.929	36.190
TOTAL LIABILITIES	91.227	91.023	96.978

2. Consolidated profit and loss account

(* EUR 1.000)				
Second Quarter			Cumulative	
2009	2008		2009	2008
75.500	79.260	Revenue	167.723	175.251
<u>(34.598)</u>	<u>(36.012)</u>	Cost of sales	<u>(77.510)</u>	<u>(80.817)</u>
40.902	43.248	Gross profit	90.213	94.434
54,2%	54,6%		53,8%	53,9%
18.839	18.674	Wage and salary costs	38.458	38.104
1.933	1.753	Depreciation of tangible fixed assets	3.853	3.593
<u>18.827</u>	<u>18.683</u>	Other operating expenses	<u>38.945</u>	<u>37.813</u>
(39.599)	(39.110)	Total operating expenses	(81.256)	(79.510)
-52,4%	-49,3%		-48,4%	-45,4%
1.303	4.138	Operating profit (EBIT)	8.957	14.924
1,7%	5,2%		5,3%	8,5%
(159)	(192)	Financial income and expenses	(319)	(330)
1.144	3.946	Profit before taxation	8.638	14.594
(337)	(1.017)	Income tax expense	(2.422)	(3.739)
807	2.929	Net profit	6.216	10.855
1,1%	3,7%		3,7%	6,2%
0,04	0,14	Earnings per share in €	0,29	0,51
0,04	0,13	Diluted earnings per share in €	0,29	0,50

3. Consolidated cash flow statement

(* EUR 1.000)

	2009	Cumulative 2008
Cash flow from operating activities		
Net profit	6.216	10.855
Depreciation	3.853	3.593
Movements in capital and reserves related to expenses employee stock options	105	265
Exchange differences	14	-
Movement in:		
Stocks	1.228	4.581
Debtors	1.529	(431)
Trade creditors	(3.456)	(2.328)
Deferred tax liabilities	44	(112)
Deferred tax assets	<u>(128)</u>	<u>-</u>
	9.405	16.423
Cash flow from investing activities		
Additions to tangible fixed assets	(2.831)	(4.777)
Disposals of tangible fixed assets	<u>173</u>	<u>79</u>
	(2.658)	(4.698)
Cash flow from financing activities		
Long-term loan	10.000	-
Reclassified to short term bank loans	(2.000)	-
Dividend paid	(4.897)	(14.894)
Share buy back program	<u>-</u>	<u>(4.196)</u>
	3.103	(19.090)
Movements in cash and cash equivalents	9.850	(7.365)
Cash and cash equivalents at the beginning of the reporting period	<u>(11.141)</u>	<u>(7.505)</u>
Cash and cash equivalents at the end of the reporting period	<u><u>(1.291)</u></u>	<u><u>(14.870)</u></u>

4. Consolidated statement of comprehensive income

(* EUR 1.000)

Second quarter			Cumulative	
2009	2008		2009	2008
807	2.929	Net profit	6.216	10.855
-	-	Revaluation	-	-
47	-	Change in reserve for currency translation differences	14	-
854	2.929	Total recognised income and expense	6.230	10.855

5. Consolidated overview of changes in equity

(* EUR 1.000)

	Total	Issued share capital	Share premium reserve	Reserve for currency translation differences	Revaluation reserve	Other reserves	Retained earnings
Balance on January 1, 2008	45.066	436	16.145	(10)	2.852	(1.929)	27.572
Total recognised income and expense for 2008	10.855	-	-	-	-	-	10.855
Profit appropriation 2007	(14.894)	-	-	-	-	12.678	(27.572)
Share buy back program	(4.196)	-	-	-	-	(4.196)	-
Expenses employee stock options	265	-	-	-	-	265	-
Balance on June 30, 2008	37.096	436	16.145	(10)	2.852	6.818	10.855

	Total	Issued share capital	Share premium reserve	Reserve for currency translation differences	Revaluation reserve	Other reserves	Retained earnings
Balance on January 1, 2009	42.703	436	16.145	130	2.852	1.014	22.126
Total recognised income and expense for 2009	6.230	-	-	14	-	-	6.216
Profit appropriation 2008	(4.897)	-	-	-	-	17.229	(22.126)
Expenses employee stock options	105	-	-	-	-	105	-
Balance on June 30, 2009	44.141	436	16.145	144	2.852	18.348	6.216

6. General Notes

General information

The consolidated interim report by Beter Bed Holding NV (the company) on the first six months of 2009 relates to the company and its operating companies (together referred to as the 'Group'). This condensed consolidated interim report has been compiled in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting. It does not contain all information required for complete financial statements and should be read in conjunction with the consolidated financial statements of the Group for 2008.

These half-year results 2009 are an appendix to the press release to be published on 28 August 2009 (hereinafter referred to as "2009 interim report"). The half-year results 2009 and the 2009 interim report must be viewed as one whole.

This condensed consolidated interim report was approved by the Supervisory Board on 27 August 2009.

Accounting principles and policies for the determination of the result

The accounting principles and policies for the determination of the result are unchanged from those used in the 2008 financial statements. The application of new standards has not led to material changes to the figures and notes included in these 2009 interim figures.

Estimates

The preparation of interim financial reports requires judgement on the part of management, which makes estimates and assumptions that affect the application of accounting principles and the reported valuation of assets and liabilities and the measurement of income and expenses. Actual results can differ from those estimates.

Unless stated otherwise, the main judgements made by management in the process of applying the Group's accounting principles and the main sources of estimation used in preparing this condensed consolidated interim report are unchanged from those made in preparing the consolidated financial statements for the financial year 2008.

7. Notes to the consolidated balance sheet

Equity

The movements of equity items are shown in the consolidated statement of changes in equity on page 9.

At the end of June 2009, 21,805,117 shares were issued and paid in full. The number of issued and fully paid-up shares has remained unchanged in the reporting period. The number of issued and fully paid-up shares at the end of June 2008 also totalled 21,805,117.

The average number of outstanding shares in the reporting period used in calculating the earnings per share was 21,289,137. The number of shares used in calculating the diluted earnings per share is equal to 21,334,621.

A final dividend for the financial year 2008 of EUR 0.23 per ordinary share with a nominal value of EUR 0.02 was adopted in the reporting period and paid accordingly. The total dividend paid in the reporting period amounted to €4,896,503.

Long-term liabilities

The Group raised a long-term loan of € 10 million in June 2009. The loan has a term of five years and will be repaid in equal monthly instalments as of 30 July 2009. The interest rate on the loan is 4.75%. No securities were provided for the loan.

8. Notes to the consolidated profit and loss account

Taxes

A reconciliation between the tax burden and the result of the calculation of profit before taxation multiplied by the local tax rate in the Netherlands is as follows at 30 June 2009 and 2008:

(* EUR 1,000)

	cumulative	
	2009	2008
Profit before taxes	8,638	14,594
At the applicable legal rate of 25.5% in the Netherlands (2008:25.5%)	2,203	3,721
Non-deductible expenses	37	76
Deductible costs of employee stock options	-	-229
Effect of the tax rate outside the Netherlands	182	171
At an effective tax rate of 28.0% (2008: 25.6%)	2,422	3,739
Profit tax taken to the consolidated profit and loss account	2,422	3,739

9. Management statement

We declare that the half-year results 2009, as far as we know, give a true and fair view of the assets, liabilities, financial position and profit of the company and the companies included in the consolidation.

We furthermore declare that, as far as we know, the 2009 interim report gives a true and fair view of the situation on the balance sheet date, developments of the company and the companies included in the consolidation during the first six months of 2009 and the expected developments.

Management Board
F.J.H. Geelen
E.J. van der Woude

10. Review report

To: the Board of Beter Bed Holding N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the 6 month period ended 30 June 2009 of Beter Bed Holding N.V., Uden which comprises the balance sheet as at 30 June 2009, the profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement for the 6 month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

We have not carried out a review in respect to the financials of the second quarter 2009 compared to the second quarter 2008, which are enclosed in the interim financial information. 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 Entity'. 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 as at 30 June 2009 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Eindhoven, August 27, 2009

Ernst & Young Accountants LLP

signed by W.T. Prins RA