



PRESS RELEASE

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Beter Bed: profit of €10.9 million in 1st half 2008 in difficult market

- 3.6% growth in revenue in first six months of 2008
- Continued expansion of new stores
- Lower net profit in first half 2008 due to decreased consumer confidence
- Outlook: difficult market conditions will lead to a lower net profit in the second half of 2008 compared to the second half of 2007

Beter Bed Holding N.V. achieved net profit of €10.9 million in the first six months of 2008 (first half-year 2007: €13.2 million), which is in line with the forecast stated in July. Revenue in the first six months of 2008 increased by 3.6% to a total of €175.3 million (first half-year 2007: €169.1 million).

Chief Executive Officer Frans Geelen: 'The credit crisis has also impacted consumer confidence and this has led to stagnating spending on bedroom furnishings. We have nonetheless been able to achieve growth in revenue in comparison to the record year of 2007. Our stringent cost policy, which continues to gain importance amidst current market conditions, is reflected in a 2.5% decrease in costs per store. We continue to invest in new stores and in modernising existing ones. We have strong retail formulas and have increased our market shares, also if the market is not conducive to this.'

Results in the first six months of 2008

Despite the difficult market conditions, which led to a decrease in revenue in comparable stores, Beter Bed Holding was able to achieve growth in revenue in the first six months of 2008 in all of the countries in which it is active thanks to the continued expansion of the store base:

Netherlands	+ 3%
Germany	+ 3%
Austria	+ 13%
Switzerland	+ 25%
Spain	+ 3%
Belgium	no stores yet in the first half-year of 2007

Overview of revenue per formula (x €1,000)	2008-Q2	2007-Q2	Change	Share of total revenue
Matratzen Concord Europe (including MAV)	94,799	90,748	4.5%	54.1%
Beter Bed	60,237	59,119	1.9%	34.4%
Other	20,215	19,267	4.9%	11.5%
Total consolidated	175,251	169,134	3.6%	100.0%

With the exception of Switzerland, market conditions were unfavourable during the first six months of 2008 in all of the countries in which Beter Bed Holding is active. Revenue at comparable stores decreased by more than 6% in the first six months of 2008. Revenue at comparable stores in the Netherlands, Germany, Austria and Spain decreased by 7%, 6%, 5% and 11% respectively. Revenue in comparable stores in Switzerland increased by 4%. The decrease in consumer confidence has been especially noticeable since the second half of May. Revenue performance in comparable stores in Spain was better in the second quarter than in the first quarter.

The growth in revenue is attributable to new store openings. The company opened 53 stores and closed 29 stores during the period under review. This resulted on balance in an increase of 24 stores in the first six months of 2008. There were a total of 984 stores at the end of June 2008.

Number of stores	31-12-2007	Closed	Opened	30-6-2008
Matratzen Concord Europe (including MAV)	794	25	41	810
Beter Bed Netherlands	84	1	1	84
El Gigante del Colchón	40	1	8	47
BeddenReus	31	2	3	32
Slaapgenoten/Dormaël Slaapkamers	11	-	-	11
Total	960	29	53	984

Gross profit improved to 53.9% in the first six months of 2008, compared to 53.0% in the first six months of 2007.

Operational expenses increased by 9.1% from € 72.9 million (43.1% of revenue) to € 79.5 million (45.4% of revenue). The rise in operational costs is attributable to the growth in the number of stores and heightened energy costs. Despite the increased energy costs, the company succeeded in achieving a 2.5% reduction in average costs per store thanks to the implementation of a stringent cost policy. Excluding the effects of increased energy expenses, costs per store decreased by 3.1%.

Operating profit (EBIT) amounted to € 14.9 million (8.5% of revenue) compared to € 16.8 million (9.9% of revenue) in the first six months of 2007. Net profit amounted to € 10.9 million. This is 17.7% lower than in the first six months of 2007 when net profit totalled € 13.2 million. While net profit for the first six months of 2007 includes a tax gain of € 1 million, a tax gain of € 0.2 million was achieved in the first six months of 2008.

Performance in second quarter

While positive results were achieved in April of the second quarter of 2008, this positive development was negated by deteriorating market conditions later in the quarter. Growth in revenue of 2.6% in the second quarter was on balance lower than the amount achieved in the first quarter of this year when revenue increased by 4.5%. Revenue in the second quarter grew from € 77.3 million in 2007 to € 79.3 million in 2008. Gross profit was higher in the second quarter at 54.6% than in the second quarter of 2007 (54.1%). Operational expenses increased as a percentage of revenue from 46.5% in the second quarter of 2007 to 49.3% in the second quarter of 2008. Operating profit (EBIT) amounted to € 4.1 million compared to € 5.9 million in the second quarter of 2007. Net profit totalled € 2.9 million in the second quarter of 2008 (second quarter 2007: € 4.3 million). Revenue and profit are normally lower in the second and third quarter than in the first and fourth quarters due to the seasonal pattern of consumer demand.

Outlook

It is impossible to make a prognosis for profit in the second half of 2008 with any certainty owing to the low level of consumer confidence and the related capricious consumer behaviour. The company assumes that market conditions will remain difficult. As a consequence the net profit in the second half of 2008 is expected to be lower than the net profit in the second half of 2007.

Interim dividend

After completing a €5 million share buy-back program in the first six months of 2007, the company conducted another €5 million share buy-back program during the period December 2007 through April 2008. In view of the strong cash position, the company, like last year, intends to pay out an interim dividend. As is customary, further information regarding this interim pay-out will be provided upon publication of the third quarter figures on 31 October 2008.

Profile

Beter Bed operates in the European bedroom furnishings market. Its activities include retail trade through approximately 1,000 stores that operate via the chains Beter Bed (active in the Netherlands), Matratzen Concord (active in Germany, the Netherlands, Austria, Switzerland and Belgium), 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 in Spain via its subsidiary DBC International. Beter Bed Holding achieved net revenue of €351.2 million in 2007. 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 2008**

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BETER BED HOLDING NV

HALF-YEAR RESULTS

2008

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1. Consolidated balance sheet

(* EUR 1.000)	30-6-2008	30-6-2007	31-12-2007
Tangible fixed assets	30.793	26.102	29.688
Intangible fixed assets	3.811	3.811	3.811
Stocks	45.182	42.046	49.763
Debtors, prepayments and accrued income	5.769	4.660	5.338
Cash and cash equivalents	5.468	5.932	6.560
TOTAL ASSETS	<u>91.023</u>	<u>82.551</u>	<u>95.160</u>
Equity attributable to equity holders of the parent	37.096	37.454	45.066
Long-term liabilities	1.660	1.134	1.772
Short-term bankloans	20.338	12.143	14.065
Current liabilities	31.929	31.820	34.257
TOTAL LIABILITIES	<u>91.023</u>	<u>82.551</u>	<u>95.160</u>

2. Consolidated profit and loss account

(* EUR 1.000)

Second quarter			2008	2007
2008	2007		2008	2007
79.260	77.250	Revenue	175.251	169.134
<u>(36.012)</u>	<u>(35.495)</u>	Cost of sales	<u>(80.817)</u>	<u>(79.435)</u>
43.248	41.755	Gross margin	94.434	89.699
54,6%	54,1%		53,9%	53,0%
18.674	17.310	Staff costs	38.104	34.971
1.753	1.791	Depreciation	3.593	3.400
<u>18.683</u>	<u>16.782</u>	Other operating expenses	<u>37.813</u>	<u>34.513</u>
(39.110)	(35.883)	Total operating expenses	(79.510)	(72.884)
-49,3%	-46,5%		-45,4%	-43,1%
4.138	5.872	Operating result (EBIT)	14.924	16.815
5,2%	7,6%		8,5%	9,9%
(192)	(111)	Financial income and expense	(330)	(170)
3.946	5.761	Profit before tax	14.594	16.645
(1.017)	(1.449)	Income tax expense	(3.739)	(3.461)
2.929	4.312	Net profit	10.855	13.184
3,7%	5,6%		6,2%	7,8%
0,14	0,18	Earnings per share €	0,51	0,61
0,13	0,17	Diluted earnings per share €	0,50	0,60

3. Consolidated cash flow statement

(* EUR 1.000)

	2008-Q2	cumulative 2007-Q2
Cash flow from/(used in) operating activities		
Net group profit	10.855	13.184
Depreciation	3.593	3.400
Movements in:		
Stocks	4.581	(1.771)
Debtors	(431)	247
Creditors	(2.328)	(5.885)
Deferred tax liabilities	(112)	---
Movement in equity because of costs of employee share options	265	203
Other	---	(4)
	<u>16.423</u>	<u>9.374</u>
Cash flow from/(used in) investing activities		
Additions to tangible fixed assets	(4.777)	(5.200)
Disposals of tangible fixed assets	79	118
	<u>(4.698)</u>	<u>(5.082)</u>
Cash flow from/(used in) financing activities		
Income from the issue of new shares	---	552
Repayment of long-term liabilities	---	(417)
Share buy back	(4.196)	(5.009)
Dividend paid	(14.894)	(14.173)
	<u>(19.090)</u>	<u>(19.047)</u>
Net cash flow for financial year	(7.365)	(14.755)
Balance of cash and cash equivalents/ short-term bankloans at 1 January	<u>(7.505)</u>	<u>8.544</u>
Balance of cash and cash equivalents/ short-term bankloans at 30 June	<u><u>(14.870)</u></u>	<u><u>(6.211)</u></u>

4. Consolidated overview of movements equity

(* EUR 1.000)

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

(* EUR 1.000)

	total	issued share capital	share premium reserve	reserve for currency translation differences	revaluation reserve	other reserves	retained earnings
Balance on 1 January 2007	42.701	433	15.596	-	1.548	1.294	23.830
Profit 2007	13.184	-	-	-	-	-	13.184
Movement in reserve for currency translation differences	(4)	-	-	(4)	-	-	-
Adjustment to reserve for currency translation differences	-	-	-	4	-	(4)	-
Revaluation	-	-	-	-	-	-	-
Total recognised income and expense for 2007	13.180	-	-	-	-	(4)	13.184
Profit appropriation 2006	(14.173)	-	-	-	-	9.657	(23.830)
Share issue	552	3	549	-	-	-	-
Share buy back	(5.009)	-	-	-	-	(5.009)	-
Expenses employee share options	203	-	-	-	-	203	-
Balance on 30 June 2007	37.454	436	16.145	-	1.548	6.141	13.184

5. General Notes

General information

The consolidated interim report by Beter Bed Holding NV (the company) on the first six months of 2008 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 2007.

This condensed consolidated interim report was approved by the Supervisory Board on 28 August 2008.

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 2007 financial statements.

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.

6. Notes to the consolidated balance sheet

Equity

The movements of equity items are shown in the consolidated equity movements overview on page 6.

At year-end 2007, 21,805,117 shares were issued and paid in full.

In the first half of 2007 289,744 shares were bought for an average price of € 14.46.

The average number of outstanding shares in the reporting period was 21,361,960. The number of shares used in calculating the diluted earnings per share is equal to 21,507,579. At the end of June 2008 21,805,117 shares were issued and paid in full. The number of outstanding shares at the end of June 2008 amounted to 21,276,637.

A final dividend for the financial year 2007 of EUR 0.70 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 € 14,893,645.

7. 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 2008 and 2007:

(* EUR 1.000)

	cumulative	
	2008-Q2	2007-Q2
Profit before taxes	<u>14.594</u>	<u>16.645</u>
At the applicable legal rate of 25.5% in the Netherlands (2007: 25.5%)	3.721	4.244
Non tax-deductible costs	76	62
Tax-deductible costs personnel stock options	(229)	(1.023)
Effect of the tax rates outside the Netherlands	<u>171</u>	<u>178</u>
At an effective rate of 25.6% (2007: 20.8%)	<u>3.739</u>	<u>3.461</u>
Profit tax taken to the consolidated profit and loss account	3.739	3.461

8. Review report

To: Beter Bed Holding N.V.

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Beter Bed Holding N.V. (the 'Company'), Uden, as at 30 June 2008 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Company's management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ('IAS 34'). We have not reviewed the figures for the second quarters 2007 and 2008 as included in the interim condensed consolidated financial statements. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 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 International Standards on Auditing 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Eindhoven, August 28, 2008

for Ernst & Young Accountants LLP

was signed by W.T. Prins