

ANNOUNCEMENT 11/2014Herning, 27 August 2014
hb/lb**ANNOUNCEMENT OF FINANCIAL RESULTS FOR THE FIRST QUARTER OF 2014/2015 FOR BOCONCEPT HOLDING A/S**

For the second consecutive quarter, BoConcept significantly improved revenues and same-store-sales. The financial results improved in the first quarter of 2014/2015, and we have been working hard since the beginning of the financial year to prepare the launch of BoConcept's upgraded collection, concept and communications platform in September. We are maintaining our forecast for financial trends for the 2014/2015 financial year.

First quarter of 2014/2015 (1 May 2014 to 31 July 2014)

- Revenue was DKK 267.2 million, up 8.3% on last year
- Same-store-sales (order intake) were up by 10.6%
- The gross profit margin was 42.1%, compared with 42.2% last year
- EBIT, which was a loss of DKK 5.6 million compared with a loss of DKK 11.6 million last year, had been affected by non-recurring costs for the collection switch-over
- With four new brand stores having opened and eight closed, the chain consisted of 262 stores at 31 July 2014
- There are eleven new stores in the project department
- The balance sheet total was DKK 598.7 million at 31 July 2014
- Cash flow before instalments on long-term debt was a cash outflow of DKK 31.1 million, compared with a cash outflow of DKK 29.8 million last year

Forecast for the 2014/2015 financial year

Management focuses on growth in revenue and earnings, driven by the successful launch and implementation of the new collection and concept and by greater efficiency throughout the value chain. Following first-quarter developments, we maintain our predictions for the 2014/2015 financial year:

- Revenue growth of 5-8% with positive contributions from same-store-sales and a higher number of stores
- EBIT of approx. 2-3%, driven by revenue growth and improved efficiency.

Further information

For further information, please telephone President and CEO Torben Paulin or CFO Hans Barslund on +45 7013 1366.

2014/2015 FINANCIAL HIGHLIGHTS FOR THE GROUP

	Q1 2014/15	Q1 2013/14	YTD 2014/15	YTD 2013/14	1 May 2013- 30 April 2014
Income statement (in DKK million)					
Revenue	267.2	246.7	267.2	246.7	1,049.5
Gross profit	112.6	104.0	112.6	104.0	448.8
Profit (loss) before interest and depreciation (EBITDA)	3.6	(2.7)	3.6	(2.7)	15.6
Profit (loss) before financial items (EBIT)	(5.6)	(11.6)	(5.6)	(11.6)	(21.7)
Financial items, net	(1.9)	(0.1)	(1.9)	(0.1)	(2.0)
Profit (loss) before tax	(7.5)	(11.8)	(7.5)	(11.8)	(23.7)
Profit (loss) after tax	(6.1)	(8.6)	(6.1)	(8.6)	(12.8)
Balance sheet (in DKK million)					
Non-current assets			245.8	253.0	249.2
Current assets			352.9	315.5	332.6
Balance sheet total			598.7	568.4	581.8
Equity at the end of the reporting period			204.8	219.6	210.3
Interest-bearing debt			163.4	100.7	128.2
Balance sheet (in DKK million)					
Cash flow from operating activities			(27.3)	(18.4)	5.0
Cash flow from investing activities			(3.8)	(11.3)	(59.4)
Of this amount, net investments in property, plant and equipment			(0.6)	(1.3)	(28.4)
Cash flow before financing activities			(31.1)	(29.8)	(54.5)
Financial ratios					
Operating margin (EBIT margin)	(2.1)	(4.7)	(2.1)	(4.7)	2.1
Return on net assets (for the period), percentage			(0.9)	(2.2)	(3.9)
Cash flow as a percentage of revenue			(11.6)	(12.1)	(5.2)
Net working capital as a percentage of revenue			11.3	9.3	8.9
Earnings per share before tax	(2.6)	(4.1)	(2.6)	(4.1)	(8.0)
Book value			72	77	73
Return on equity before tax			(3.5)	(5.2)	(5.9)
Equity ratio			34.2	38.6	36.1
Average number of full-time employees			632	579	627
Stock market ratios					
Dividend, DKK million			0.0	0.0	0.0
Market price			108.0	90.0	97
Share capital, DKK million			28.6	28.6	28.6
Price/book value			1.5	1.2	1.3
Price/earnings ratio			N/A	N/A	N/A

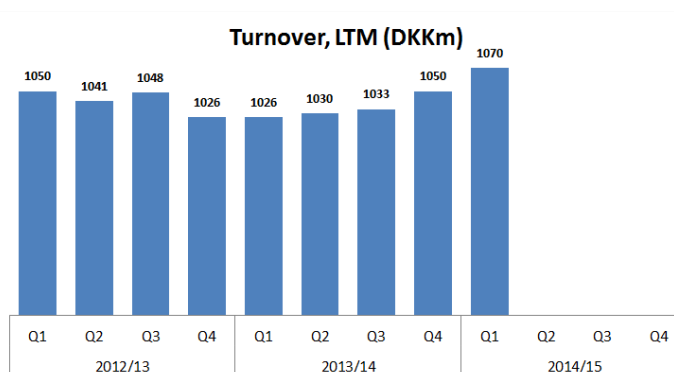
The interim financial statements, which have not been audited, cover the period from 1 May to 31 July 2014. The accounting policies applied in these interim financial statements are the same as those applied in the 2013/2014 annual report.

REVENUE TRENDS

Modest revenue growth in brand stores

BoConcept Holding (BoConcept) generated revenue of DKK 267.2 million in the first quarter of 2014/2015, up 8.3% on the corresponding quarter last year. Compared with the previous financial year, the negative effect of foreign exchange rates fell significantly to DKK 4.3 million. Leaving foreign exchange rates and the DKK 5.5 million decline in studio revenue out of the equation, revenue growth generated by brand stores for the quarter exceeded 12%.

Revenue trends	DKK million
Actual, first quarter 2013/14	246.7
Exchange rate effect	(4.3)
Net change, brand stores	30.3
Net change, studios	(5.5)
Actual, first quarter 2014/15	267.2



Revenue growth is in line with our predictions and attributable to a larger number of stores in the chain and a higher volume of same-store-sales.

Principal markets generally progressing, but continued hesitancy in Europe

Consumer hesitancy and low traffic continue to characterise the markets in Europe. Momentum is higher in the USA, and the growth markets in Latin America and Asia continue their upward trends.

Revenue by region (DKK million)	2014/15 Q1	2013/14 Q1	Index
Europe	141.7	142.7	99.3
France	30.2	26.5	114.0
Germany	35.0	30.0	116.7
Middle East & Africa	11.7	9.5	123.2
North America	37.1	33.4	111.1
USA	31.3	29.6	105.7
Latin America	17.5	15.8	110.8
Asia & Australia	59.2	45.3	130.7
Japan	29.6	26.2	113.0
Total	267.2	246.7	108.3

Revenues in the German market, which is now BoConcept's largest, were boosted by the high number of new store openings last year. For the third consecutive year, the underlying market for durable consumer goods is under pressure and has now stagnated due to low traffic and consumers' low propensity to spend. As a result, same-store-sales are under pressure, and higher marketing budgets are required to maintain our brand position in an exceedingly competitive market.

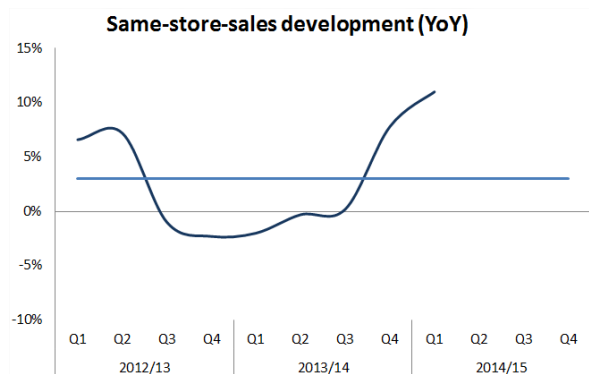
BoConcept's revenue rose satisfactorily in the first quarter in France, but here, too, a massive marketing campaign was required to compensate for difficult market conditions and declining traffic. Same-store-sales have reached a plateau and show slight signs of improvement, indicating that BoConcept's market share is increasing.

In Denmark and Sweden, same-store-sales continue to grow, driving up revenues, albeit from low levels. Revenues generated by studios in Norway were disappointing.

In the American market, same-store-sales and revenue continue to go from strength to strength, driven by underlying market improvements, e.g. in the housing market.

In Japan, own stores are satisfactorily outperforming the market and delivering a high rate of growth in same-store-sales. The adverse effect from foreign exchange rates is less than last year, which means a higher proportion of the growth flowing to the group. In China, growth is strong following our acquisition of master rights and implementation of the full concept last year.

Overall, growth in same-store-sales was 10.6% in terms of order intake in the first quarter of 2014/2015, which was a powerful continuation of the momentum gained at the end of the third quarter of 2013/2014 that resulted in growth in same-store-sales of 7.8% in the fourth quarter of 2013/2014.



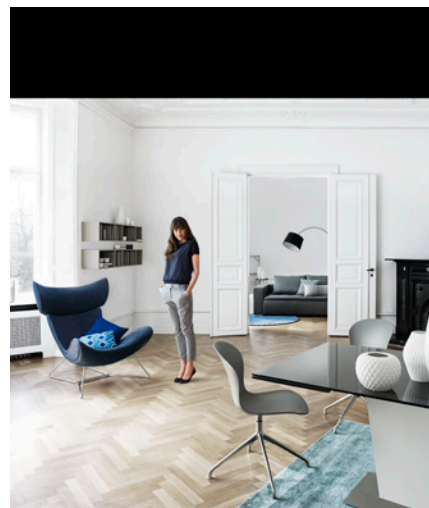
This increase is attributable to traffic-boosting activities throughout the chain and the big End Season Sale in connection with the collection switch-over.

New collection and updated concept ready for global launch

With sales having grown by more than DKK 15 million and orders by more than DKK 20 million, the volume of sales of items from the 2015 collection to the franchise chain is excellent compared with last year.

This trend reflects the very favourable reception by our franchisees of the radical upgrade of our business base that we have been implementing since the summer of 2013, and which will be kick-started commercially in connection with the global launch of our new collection in September. The upgrade also includes a revitalisation of our entire store concept and the introduction of a completely revamped communications platform that will bring the individual options, personal service and unique interior design advice BoConcept offers its customers into even sharper focus in words, action and design.

The reason for the considerable investment in the revitalisation of our concept is simple: On all parameters, BoConcept must set itself even more apart from the competition than before by focusing on what characterises BoConcept: modern, functional and individualised design solutions that enable the company to deliver on its unique core competency: 'We make the most out of your space'. This should equip the chain for a revenue boost per square metre and thereby strengthen the group's growth and earnings capacity.



More than just another campaign

The launch of BoConcept's 2015 collection in September will be kick-started with a completely revamped communications platform focusing on the group's basic DNA and how customers experience BoConcept's design solutions rather than on the individual product.

'We are going to tell the unique story of how we deliver on our brand promise – 'We make the most out of your space' – and thus how we set ourselves apart from the competition, and how functionality and customisation enable us to tailor our solutions to meet people's individual needs, which is a completely unique approach in our segment,' says Palle Larsen, Marketing Director at BoConcept.

The way we communicate will change radically, and brand new marketing tools will be introduced. Our customers' own experiences with BoConcept will be the essence of the stories we tell other customers through cases in commercials and on film. Messages will take centre stage, and our brand new store design will highlight BoConcept's core competencies: interior decoration and customisation. We will also boost our marketing and story-telling in social media, which drives a lot of traffic to the stores.

'But we won't stop there. We will take our communication, concept and collection right to the edge. We've introduced a completely new marketing tool: we have fitted out three apartments – one in New York, one in Berlin and one in Dubai – where our customers can book a stay and test the concept and all the options that come with it over the course of several days. The message is simple: our concept is fantastic, but you don't have to take our word for it. Try it out. This initiative has already attracted the attention of media worldwide, and we expect it to be a great success,' Palle Larsen says.

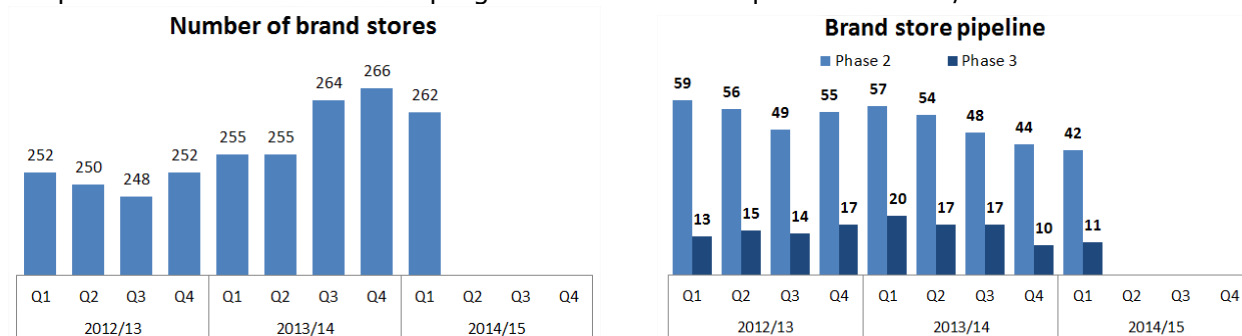
Strategic collaboration to accelerate expansion in China

More than 94% of BoConcept's revenues in the first quarter of 2014/2015 were generated by brand stores, while the remainder came from BoConcept Studios.

	2014/15	2014/15	31 July 2014			Pipeline 31 July 2014	
	YTD	YTD	Stores	Of this	Studios	Phase 2	Phase 3
Openings	Closings	own		stores			
Europe	3	2	150	12	47	15	2
France	1	0	32	1	0	4	1
Germany	2	0	26	0	0	5	0
UK	0	0	14	1	4	2	0
Spain	0	1	9	2	1	0	0
Denmark	0	0	8	6	0	0	0
Sweden	0	0	4	2	1	0	0
Norway	0	0	0	0	16	0	0
Middle East & Africa	0	0	11	0	0	4	3
North America	0	0	29	2	0	5	1
USA	0	0	25	2	0	4	1
Latin America	0	1	22	0	0	8	2
Asia	1	5	50	16	0	10	3
Japan	0	3	16	7	0	0	0
China	0	0	18	9	0	5	1
Total	4	8	262	30	47	42	11

The chain saw a gross addition of four stores in the first quarter of 2014/2015: three in the European principal markets and one in Thailand. However, the chain was reduced by four franchise stores net since we closed eight stores, mostly in Japan, where own stores are replacing franchise stores. The chain now consists of 262 stores.

Investment through the Local Involvement programme totalled DKK 24.7 million at 31 July 2014. We opened one store under this programme in the first quarter of 2014/2015.



BoConcept has 11 new stores in Phase 3 and 42 in Phase 2 of the pipeline, which is on a par with the previous quarter but less than last year. With our full focus on optimising our existing stores and launching our revitalised concept, the number of new stores will be lower in the 2014/2015 financial year than last year. However, the number of closings will also decline, so we still predict a net addition to the chain over the year.

We will open new stores in our existing markets in Europe and the USA, but also to a large extent in the growth markets in Latin America, the Middle East and Asia, especially in China, where we expect the conclusion of a long-term strategic partnering agreement with Kinetic to boost our efforts (see Announcement no. 10/2014 of 25 July 2014). In future, Kinetic will use its unique market insight and powerful network of owners and operators of shopping centres, potential franchisees and members of the furniture industry to source new franchisees and locations for BoConcept China. In this way, and in close collaboration with the local BoConcept organisation, Kinetic should bring about a significant increase in the number of stores in a market holding great growth potential for BoConcept.

PROFIT TRENDS

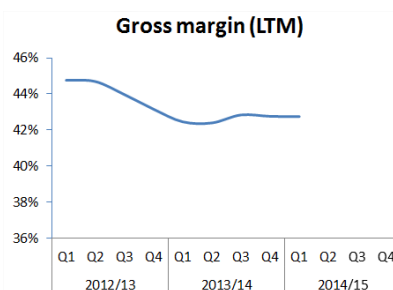
Higher revenues generated by brand stores made a solid 33% additional contribution to earnings in the first quarter of 2014/2015. Due to the modest adverse effect of foreign exchange rates, the result is a considerably lower loss for the quarter than last year.

(DKK million)	Q1 2013/14	Business model and other	Own stores, net	Exchange rate effect	Q1 2014/15
Revenue	246.7	20.9	3.9	(4.3)	267.2
Production costs	(142.7)	(14.3)	0.0	2.4	(154.6)
Gross profit (loss)	104.0	6.6	3.9	(1.9)	112.6
Capacity costs	(115.6)	0.3	(4.1)	1.2	(118.2)
Operating profit (loss)	(11.6)	6.9	(0.2)	(0.7)	(5.6)
as a percentage of revenue	(4.7%)	33.0%			(2.1%)

Gross profit margin on a par with last year

BoConcept's gross profit was 42.1% in the first quarter of 2014/2015, compared with 42.2% last year. The net effect from our own stores is an 0.9 percentage point increase, which is however somewhat lessened by slightly lower productivity due to costs related to the major collection switch-over currently being implemented.

Gross profit margin trends	Q1
2013/2014	42.2%
Exchange rate effect	0.0%
Own stores, net	0.8%
Productivity	(0.9%)
2014/2015	42.1%



As usual, the first-quarter gross profit margin was affected by the sale to stores of catalogues, which have a lower contribution margin than our standard items. The sourcing ratio was 78% of revenue at the end of July 2014.

Efficiency improved, but provisions for losses on debtors remain high

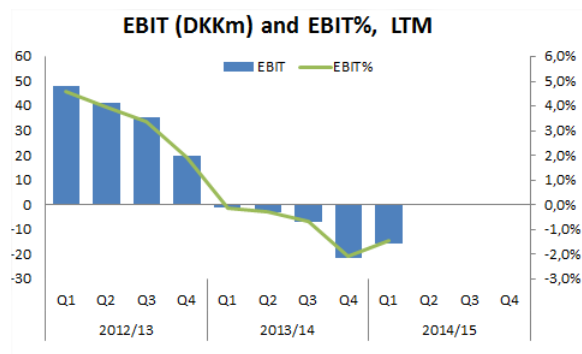
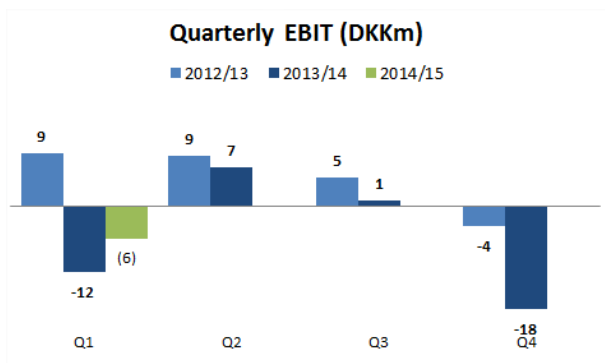
Total capacity costs for the quarter were DKK 118.2 million, corresponding to 44.2% of revenue and compared with DKK 115.6 million and 46.9% of revenue last year. The higher number of own stores increased capacity costs by DKK 4.1 million, while the efficiency improvements and cost-cutting measures implemented last year cut costs by a gross figure of DKK 5.5 million. After non-recurring costs related to the collection switch-over, total savings were about DKK 2 million for the first quarter of 2014/2015.

Over the quarter, distribution costs increased by DKK 7.4 million compared with last year. In addition to a higher marketing budget, the increase stems from non-recurring items totalling DKK 4.5 million for a completely new set of upholstery furniture fabric and leather swatches to replace the old one in all our stores. Moreover, losses and provisions on debtors rose by DKK 1.0 million to DKK 10.3 million in the first quarter of 2014/2015. Provisions were affected by a few individual items in France and the USA, where our Business Development Department is in the process of deciding on the future of the stores in question.

We have continued to cut administrative expenses, which have been reduced by a total of DKK 4.7 million compared with last year.

Reduction in operating losses as expected

Accordingly, we booked an operating loss (EBIT) of DKK 5.6 million for the first quarter of 2014/2015, versus a loss of DKK 11.6 million the previous year. In view of the additional resources set aside to roll out the new collection and the new concept, our financial results are as budgeted, and we expect the group's earnings to rise in the remainder of the financial year as a result of revenue growth and improved efficiency.



Financial expenses rose from DKK 0.8 million last year to DKK 3.2 million. The rise reflects higher interest expenses due to higher debt and the effect of exchange rate changes on the balance sheet total.

The pre-tax result after DKK 1.9 million in net financial expenses for the period represents a loss of DKK 7.5 million, versus DKK 11.8 million last year. This result is acceptable in the light of non-recurring costs in connection with the launch of the new 2015 collection and the updated concept.

BALANCE SHEET

No major investments in non-current assets

The balance sheet total was DKK 598.7 million at 31 July 2014, or DKK 16.8 million more than at the beginning of the financial year. After major investments in the previous financial year, investment in non-current assets has reached a plateau and is expected to match depreciation charges in future.

Collection switch-over and higher internal sales boost net working capital

The radical makeover of our collection will tie up considerable funds in working capital in the first quarter. This is standard procedure and in accordance with our plans. Net working capital was DKK 121.1 million at 31 July 2014 or 11.3% of revenue, compared with DKK 95.2 million and 9.3% of revenue at the same time last year.

The increase is primarily attributable to larger inventories in preparation for the launch of our 2015 collection. Funds tied up in inventories amounted to DKK 155.4 at the balance sheet date, compared with DKK 131.5 million last year.

Due to higher revenues in July and the large internal sale to the franchise chain in connection with the launch, e.g. for showrooms, receivables grew by DKK 4.8 million to reach DKK 154.3 million. The number of debtor days was 49, compared with 51 last year and 52 for the full 2013/2014 financial year.

Trade payables totalled DKK 101.5 million, versus DKK 97.9 million last year and DKK 118.5 million at the beginning of the financial year. Prepayments from customers rose, partly as a result of higher revenues in the chain and partly as a result of a higher number of own stores.

Growth initiatives in the financial year covered by improved cash resources

At the balance sheet date, equity amounted to DKK 203.9 million, equalling an equity ratio of 34.2%. Improved operating results are expected to increase the equity ratio over the course of the financial year.

In the first quarter of the 2014/2015 financial year, BoConcept increased its cash resources by increasing its drawing facilities with the group's bankers by DKK 25 million. The group's interest-bearing debt totalled DKK 163.4 million at the end of July 2014, compared with DKK 128.2 million at the beginning of the financial year. Outstanding liabilities can be broken down into non-current liabilities of DKK 67.4 million and current liabilities of DKK 96.0 million.

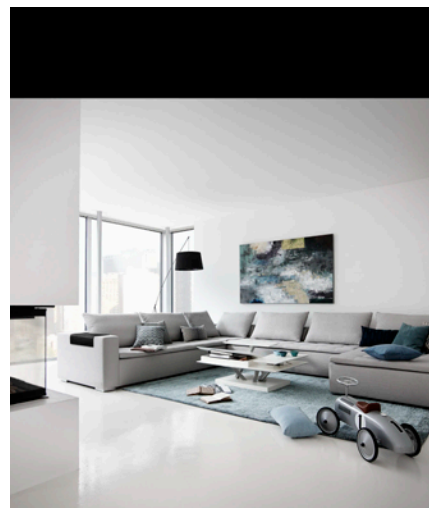
The group had DKK 22.9 million in cash at the balance sheet date and unused credit facilities totalling DKK 52.2 million. The group's current cash resources thus adequately cover the financing of initiatives planned for the launch of the collection and revenue growth in the 2014/2015 financial year.

CASH FLOW

Cash flows were, as usual, affected by the preparation for collection switch-over in the first quarter

Cash flow for the first quarter of 2014/2015 was a cash outflow of DKK 27.3 million, compared with a cash outflow of DKK 18.4 million last year. Heavier investment in working capital compared with last year undermined the improvement in operating result.

Net investments were reduced by DKK 7.5 million to DKK 3.8 million, resulting in a cash outflow before instalments on long-term debt of DKK 31.1 million, compared with DKK 29.8 million last year.



Powerful partnering agreement to boost expansion in China

BoConcept acquired the Chinese master rights and the organisation in China in May 2013 and has since been optimising operations and boosting expansion. It was clear from the outset, however, that BoConcept's ambitions for growth in China required Chinese know-how. With this in mind, BoConcept began a formalised search for a partner, and after negotiations with several potential candidates, the group entered into an exclusive collaboration agreement with Guangzhou Kinetic Home Furnishings Co., Ltd. in July 2014.

'We chose Kinetic because we both have a similar background and because they have considerable retail experience, access to attractive locations and unique market insight. Kinetic has built up a franchise chain consisting of more than 400 furniture stores in China, but their position in the market is lower than that of BoConcept. BoConcept is thus an offer to the many potential franchisees in Kinetic's network who want to be associated with an international premium brand with a high lifestyle image. One of the main reasons why we chose Kinetic is that the company's owner and manager, Mr Liu Yong Kang, is a highly respected businessman in China who heads several trade organisations,' says BoConcept CEO Torben Paulin.

The agreement with Kinetic takes the form of a recruitment agreement, under which Kinetic's assignment is to find franchisees and locations for BoConcept in return for a commission related to sales. All agreements and support for the stores will be provided by BoConcept's Chinese organisation. After two years, Kinetic will be eligible to acquire a minority shareholding in BoConcept's Chinese company if the collaboration turns out to be satisfactory.

EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Neither the supervisory board nor the executive board is aware of any events after 31 July 2014 which will materially influence the financial position of the group.

FORECAST FOR THE 2014/2015 FINANCIAL YEAR

Since first quarter developments went according to plan, we maintain our predictions for the 2014/2015 financial year

Management focuses on growth in revenue and earnings, driven by the successful launch and implementation of the new collection and concept and by greater efficiency throughout the value chain.

We are maintaining our forecast in accordance with Announcement no. 8/2004 of 27 June 2014 of revenue growth of 5-8% with a positive contribution from growth in same-store-sales and a higher number of stores, and an operating margin (EBIT percentage) of 2-3%, driven by revenue growth and greater efficiency.

INVESTOR INFORMATION

Stock exchange announcements from 1 May 2014 to 31 July 2014

- 25.06.2014 Finance calendar
- 27.06.2014 Announcement of 2013/2014 financial results
- 02.07.2014 Insider trades
- 25.07.2014 Strategic partnering agreement with Kinetic to boost expansion in China
- 05.08.2014 Notice of general meeting of shareholders of BoConcept Holding A/S

Vocabulary

Brand store: BoConcept store

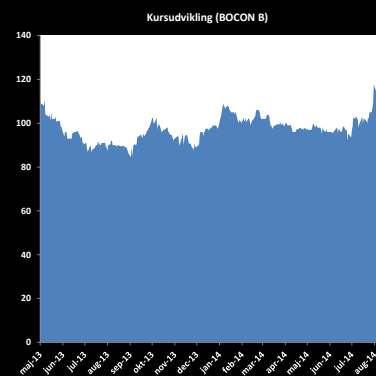
Same-store-sales: Revenue trend compared with sales trend in one particular store from one year to the next

Traffic: Number of visitors/customers in the store

Hit rate: The share of potential customers finding a product to buy

Basket size: The size of the individual order

Pipeline: Stores for which contracts to open have been signed



Financial Calendar

- 27/08/2014 Annual general meeting
- 05/12/2014 Quarterly review, Q2, 2014/15
- 05/03/2015 Quarterly review, Q3, 2014/15

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Further information

For additional information on BoConcept and to subscribe to investor news go to www.boconcept.com/IR

This announcement of quarterly financial results was prepared in Danish and translated into English. In case of inconsistencies between the Danish announcement and the English translation, the Danish shall prevail.

Disclaimer

This announcement contains forward-looking statements and forecasts relating, among other things, to profit, balance sheet total and cash flow. BoConcept Holding stresses that the above forecast is subject to considerable uncertainty with respect to the level of activity we will see in the future due to dramatically reduced market transparency and revenue visibility. The revenue generated by the franchise chain and BoConcept will thus be sensitive to fluctuations in macro-economic factors such as GNP growth, home sales, consumer confidence, and disposable income trends. Should these variables deteriorate, the franchise chain will have even tougher sales conditions to contend with, and senior management's expectations with respect to future financial trends may thus not be achieved.

Management statement

The supervisory and executive boards today considered and adopted the interim report of BoConcept Holding A/S for the period 1 May to 31 July 2014.

The interim report is presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional Danish disclosure requirements for the interim reports of listed companies. The interim report has not been audited or reviewed.

We consider the accounting policies applied expedient and the estimates adequate. Furthermore, in our view, the overall presentation of the interim report gives a true and fair view of the company's financial affairs. In our opinion, the interim report gives a true and fair view of the group's assets, liabilities and financial position and of the results of the group's operations and cash flow for the reporting period.

Herning, 27 August 2014

Executive Board

Torben Paulin
CEO

Hans Barslund
CFO

Supervisory Board

Viggo Mølholm
Chairman

Peter Thorsen
Deputy Chairman

Henrik Burkal

Preben Bager

Poul Brændgaard

Joan Bjørnholdt Nielsen

CONSOLIDATED INCOME STATEMENT

	01.05. - 31.07. 2014/2015 DKK'000	01.05. - 31.07. 2013/2014 DKK'000	01.05. - 31.07. 2014/2015 DKK'000	01.05. - 31.07. 2013/2014 DKK'000
Revenue	267.191	246.697	267.191	246.697
Production costs	-154.624	-142.692	-154.624	-142.692
Gross profit	112.567	104.005	112.567	104.005
Distribution costs	-97.327	-89.973	-97.327	-89.973
Administrative expenses	-20.807	-25.504	-20.807	-25.504
Other operating income	0	41	0	41
Other operating expenses	-14	-207	-14	-207
Operating profit/loss	-5.581	-11.638	-5.581	-11.638
Financial income	1.256	701	1.256	701
Financial expenses	-3.193	-842	-3.193	-842
Operating profit/loss before tax	-7.518	-11.779	-7.518	-11.779
Tax on profit/loss for the year	1.460	3.186	1.460	3.186
Profit/loss for the period	-6.058	-8.593	-6.058	-8.593
Broken down as follows:				
BoConcept Holding A/S' shareholders	-5.956	-8.194	-5.956	-8.194
Minority interests	-102	-399	-102	-399
	-6.058	-8.593	-6.058	-8.593
Earnings per share				
Earnings per share	-2,08	-2,87	-2,08	-2,87
Earnings per diluted share	-2,08	-2,87	-2,08	-2,87
Consolidated total income				
Profit/loss for the period	-6.058	-8.593	-6.058	-8.593
Revaluation of hedging instruments	-674	1.093	-674	1.093
Foreign currency translation, foreign units	1.222	-989	1.222	-989
	-5.510	-8.489	-5.510	-8.489
Broken down as follows:				
BoConcept Holding A/S' shareholders	-5.408	-8.090	-5.408	-8.090
Minority interests	-102	-399	-102	-399
	-5.510	-8.489	-5.510	-8.489

CONSOLIDATED BALANCE SHEET

Q1	31.07.14 DKK'000	31.07.13 DKK'000	30.04.14 DKK'000
ASSETS			
Goodwill	17.016	16.206	16.323
Master rights	42.226	40.828	42.225
Software	19.324	14.370	22.085
Intangible assets in progress	8.175	7.673	6.572
Total intangible assets	86.741	79.077	87.205
Land and buildings	63.825	70.085	65.420
Leasehold improvements	22.720	15.416	23.648
Plant and machinery	16.320	14.454	17.886
Fixtures and operating equipment	6.890	7.305	7.873
Property, plant and equipment in progress	445	3.492	514
Total property, plant and equipment	110.200	110.752	115.341
Deferred tax	8.878	32.287	8.610
Other financial assets	26.436	15.026	24.863
Deposits	13.522	15.825	13.202
Total other non-current assets	48.836	63.138	46.675
Total non-current assets	245.777	252.967	249.221
Inventories	155.388	131.505	143.381
Trade receivables	154.335	149.556	144.522
Other receivables	20.204	16.583	28.406
Cash	22.953	17.807	16.320
Total current assets	352.880	315.451	332.629
TOTAL ASSETS	598.657	568.418	581.850

	31.07.14 DKK'000	31.07.13 DKK'000	30.04.14 DKK'000
LIABILITIES AND EQUITY			
Share capital	28.621	28.621	28.621
Translation reserve	346	-2.309	-6.286
Hedging reserve	-6.960	-90	-976
Retained earnings	182.839	193.363	188.897
Dividend proposed	0	0	0
BoConcept Holding A/S shareholders' share of equity	204.846	219.585	210.256
Minority interests	-943	-195	-812
Total equity	203.903	219.390	209.444
Deferred tax	11.748	44.509	11.747
Employee bonds	0	1.299	0
Other provisions	9.607	8.670	9.484
Mortgage credit institutions and banks	67.398	44.830	68.940
Total non-current liabilities	88.753	99.308	90.171
Employee bonds	1.299	1.375	1.299
Mortgage credit institutions and banks	95.956	54.602	57.924
Trade payables	101.481	97.872	118.485
Prepayment from customers	45.035	32.229	39.818
Income tax payable	-1.863	5.320	-387
Other payables	64.094	58.322	65.096
Total current liabilities	306.002	249.720	282.235
Total liabilities	394.755	349.028	372.406
TOTAL LIABILITIES AND EQUITY	598.658	568.418	581.850

Consolidated cash flow statement

Q1

	1.5. - 31.07. 2014/2015 DKK'000	1.5. - 31.07. 2013/2014 DKK'000
Revenue and other operating income	267.191	246.738
Operating expenses	-272.772	-258.376
Adjustment for non-cash items	19.654	22.186
Change in net working capital	-38.436	-28.895
Cash flow from operating activities before financial items	-24.363	-18.347
Interest income etc.	1.256	961
Interest paid	-3.835	-842
Income tax paid	-379	-205
Cash flow from operating activities	-27.321	-18.433
Acquisition of intangible assets	-1.815	-8.654
Sale of intangible assets	0	0
Acquisition of property, plant and equipment	-620	-1.320
Sale of property, plant and equipment	0	3
Acquisition of financial assets	-1.672	-1.753
Sale of financial assets	316	393
Acquisition of companies	0	0
Sale of companies	0	0
Cash flow for investing activities	-3.791	-11.331
Cash flow before financing activities	-31.112	-29.764
Instalments on long-term debt	-1.542	-1.160
Incurring af long-term debt	0	0
Shareholders:		
Capital increase	0	0
Sale of treasury shares	0	58
Acquisition of treasury shares	0	0
Dividend paid	0	0
Cash flow from financing activities	-1.542	-1.102
Cash inflow/outflow for the year	-32.654	-30.866
Cash and cash equivalents less short-term bank debt, beg. of year	-31.712	-888
Revaluation of cash and cash equivalents	642	-260
Cash and cash equivalents at year-end	-63.724	-32.014
The amount may be broken down as follows:		
Cash without restrictions	22.953	17.807
Short-term debt to credit institutions	-86.677	-49.821
	-63.724	-32.014

CONSOLIDATED EQUITY MOVEMENTS
Q1

	Share capital	Translation reserve	Hedging reserve	Retained earnings	Dividend proposed	Total
Equity 1 May 2013	28.621	-1.320	-1.183	201.914	0	228.032
Acquisition of treasury shares				0		0
Sale of treasury shares				58		58
Distributed dividend				0	0	0
Dividend proposed					0	0
Dividend treasury shares				0	0	0
Costs of share options				-16		-16
Total transactions with shareholders for the period	28.621	-1.320	-1.183	201.956	0	228.074
Total earnings and costs for the period		-989	1.093	-8.593		-8.489
Equity 31 July 2013	57.242	-2.309	-90	193.363	0	219.585
Equity 1 May 2014	28.621	-876	-6.286	188.897	0	210.356
Acquisition of treasury shares				0		0
Sale of treasury shares				0		0
Distributed dividend				0	0	0
Dividend proposed				0	0	0
Dividend treasury shares				0		0
Costs of share options				0		0
Total transactions with shareholders for the period	28.621	-876	-6.286	188.897	0	210.356
Total earnings and costs for the period		1.222	-674	-6.058		-5.510
Equity 31 July 2014	28.621	346	-6.960	182.839	0	204.846

NOTES AT 31 JULY 2014

Q1**1. Accounting policies applied**

The interim report has been prepared in accordance with IAS 34's 'Presentation of interim reports' as adopted by the EU. Further, the interim report has been prepared in accordance with the additional Danish disclosure requirements for interim reports of listed companies.

Except for the effect of new IAS/IFRSs implemented in the reporting period, accounting policies applied remain unchanged compared to the annual report for 2013/2014, to which reference is made.

The annual report for 2013/2014 contains a detailed description of the accounting policies applied.

New IAS/IFRS implemented in the reporting period

No new standards and interpretations have been implemented during the reporting period.

For further information on the above-mentioned standards and interpretations, please see page 67 in the annual report for 2013/2014.

2. Estimates and judgements

The preparation of interim reports requires the management to make financial estimates and judgments affecting the accounting policies applied and the included assets, liabilities, earnings and expenditure. Actual results may differ from these estimates and judgments.

Material estimates made by the management by applying the group's accounting policies and the estimated insecurity involved are the same as the ones used in connection with the preparation of the annual report at 30 April 2014.

3. Segments

The identified reportable segment constitutes all of the group's external revenue, produced from the sale of furniture, home furnishings and accessories. The reportable segment is identified on the basis of the group's internal management structure, from which follows the duty to report to the main decision-makers, the executive board. As permitted under IFRS 8, the reportable segment is also a consolidation of the operational segments in the BoConcept group.

Profit, revenue and costs are recognised according to the same principles in the segment information and in the group's annual financial statements. Segment information may be gleaned from the group's income statement, balance sheet and cash flow statement.

4. Tax on profit for the year

The group's effective tax rate for the reporting period in 2014/2015 is 28% - the same as for the same reporting period in 2013/2014.

The effective tax rate of 28% comprises tax on profit for the period of 24.5% and non-deductible costs and additional tax abroad.

5. Related parties

BoConcept's related parties have not changed compared to the disclosures of the annual report for 2013/2014.

In the reporting period no extraordinary transactions were concluded with relating partners. No extraordinary transactions were concluded with relating partners in the same period last year either.

6. Contingent liabilities

A lawsuit has been filed against a subsidiary in Sweden. It is estimated that the subsidiary will win the lawsuit. Therefore, no amount related to this has been included.

	<u>31.07.14</u>	<u>30.04.14</u>
Contingent assets		
Sub-lease agreements concerning store premises	10.294	10.289
Contingent liabilities and security		
Land and buildings recognised at:	63.825	65.420
Production, plant and machinery recognised at:	7.987	8.886
Are charged in addition to the mortgage debt of:	53.522	54.105
Subject to letter of indemnity of:	50.000	50.000
Security (assets)	25.000	0
Non-terminable operating leases are as follows:		
0-1 year	39.447	43.578
1-5 years	76.191	84.878
>5 years	29.580	29.583
	<u>145.218</u>	<u>158.039</u>

The group leases store premises and cars under operating leases. The leasing period is usually between three and ten years with the possibility of prolongation.

BoConcept A/S has provided guarantee for franchisees' loans and rent guarantees of DKK 8.8 million (DKK 8.6 million as at 30.04.14).