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NASDAQ OMX Copenhagen

Herning, 30 June 2009

Preliminary announcement of the financial statements for 2008/2009 for BoConcept Holding A/S

- As a result of the challenging macroeconomic climate, revenue for the 2008/2009 financial year fell by 12.0% compared to last year, amounting to DKK 1,004.8 million, which coincides with the most recent forecast

- The loss before tax is DKK 29.6 million for the 2008/2009 financial year against a profit before tax of DKK 67.7 million in the 2007/08 financial year, which is within the forecast interval

- The operating margin decreased to minus 1.2% in the 2008/09 financial year against 6.9% last year

- Cash flow before instalments on long-term debt was DKK minus 48.1 million for 2008/2009 against DKK 49.5 million in the 2007/2008 financial year and is thus above the most recent forecast

- A total of 44 new BoConcept Brand Stores were opened and 21 were closed during the financial year, resulting in a net addition of 23 BoConcept Brand Stores, which is below the forecast due to an increased number of closures

- A number of restructuring initiatives have been implemented in 2008/2009, resulting in a reduction in the company's capacity costs of DKK 50 million as full-year effect, of which DKK 40 million is with effect in the 2009/2010 financial year

- The forecast for the 2009/2010 financial year is a break even result before tax and positive cash flow before instalments on long-term debt of 2-3% of the revenue. Revenue is expected to decline by 10-15% compared to the 2008/2009 financial year

- To improve the group's financial resources the supervisory board will recommend to the company in general meeting that its share capital be increased by up to 9.99% by means of a direct issue of new class B-shares

For further information, please contact President & CEO, Viggo Mølholm, or Vice President & CFO, Hans Barslund, on telephone number: +45 7013 1366.

The BoConcept chain is the retail-oriented concept holder of the global franchise chain and the global brand of BoConcept. The chain represents the best coordinated designer furniture and accessories. The collection, store concept consumer communications and supply chain are controlled from the headquarters in Denmark.

BoConcept Brand Stores are independent stores with floorages of between 400 and 800 m^2 in attractive locations while BoConcept Studios are in-store departments with floorages of between 100 and 400 m^2 in existing furniture stores. As per 30 April 2009 there were 247 BoConcept Brand Stores and 109 BoConcept Studios in 50 markets.

Statement by the executive and supervisory boards

The executive and supervisory boards have today discussed and approved the annual report of BoConcept Holding A/S for the financial year 2008/09.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Further, the annual report is prepared in accordance with NASDAQ OMX Copenhagen's requirements pertaining to listed companies. We consider the accounting policies used to be appropriate. Accordingly, the annual report gives a true and fair view of the group's assets, liabilities and financial position at 30 April 2009 and the group's operations and cash flows for the financial year 2008/09.

We recommend that the annual report be approved at the annual general meeting.

Herning, 30 June 2009

Executive board

Viggo Mølholm	Hans Barslund

Supervisory board

Svend Sigaard Chairman	Ebbe Pelle Jacobsen Deputy chairman	Christian Majgaard
Karen Marie Grummesgaard	Jette Håhr Nielsen	

Financial highlights for the BoConcept group

Income statement in million DKK

	2008/09	2007/08	2006/07	2005/06	2004/05
Revenue	1,004.8	1,141.9	1,046.6	892.0	795.6
Gross profit	396.1	455.9	420.0	365.1	312.1
Profit/loss from operating activities	(12.1)	78.8	69.4	36.7	12.4
Financing, net	(17.5)	(11.1)	(7.7)	(10.0)	(11.6)
Profit/loss before tax and minority interests	(29.6)	67.7	61.7	26.7	0.8
Profit/loss after tax	(27.5)	48.9	42.3	11.8	0.1

Balance sheet in million DKK

Fixed assets	257.0	239.4	230.1	244.7	252.4
Current assets	265.4	299.9	318.7	254.6	276.2
Balance sheet total	522.3	539.3	548.8	499.3	528.5
Equity	146.2	195.8	148.5	108.5	98.2
Interest-bearing debt	214.7	149.6	194.0	217.2	317.2

Cash flow in million DKK

Cash flow from operating activities	(10.3)	94.2	42.5	100.1	43.3
Cash flow from investing activities	(37.8)	(44.7)	(16.8)	(9.7)	(29.6)
Of investments in property, plant and equipment	(24.0)	(42.8)	(27.5)	(14.4)	(14.8)
Cash flow before instalments on long-term liabilities	(48.1)	49.5	25.7	90.4	13.8

Financial ratios

	2008/09	2007/08	2006/07	2005/06	2004/05
Operating margin	(1.2)	6.9	6.6	4.1	1.6
Return on net assets	(2.3)	14.5	13.3	7.1	2.3
Earnings per share of DKK 10	(10)	19	16	5	0
Return on equity	(16)	28	33	11	0
Equity ratio, %	28	36	27	22	19
Book value per share of DKK 10	56	75	57	42	38
Average no. of employees, full-time	562	631	751	720	779

Stock market ratios

	2008/09	2007/08	2006/07	2005/06	2004/05
Dividend, DKK million	0.0	21.0	5.2	0.0	0.0
Market price at year-end	71	309	494	295	36
Share capital, DKK million	26.2	26.2	26.0	26.0	26.0
Market price/book value	1.3	4.1	8.6	7.1	1.0
Price/earning ratio at year-end	-	16.5	30.3	64.9	-

The financial ratios have been calculated in accordance with the 'Recommendations & Financial Ratios 2005' issued by the Danish Society of Financial Analysts. Financial ratios on which the share split as at 28 August 2006 have an impact have been adjusted so as to be calculated in the basis of shares in denominations of DKK 10.

Financial review for 2008/09

Income statement

BoConcept Holding A/S revenue for the 2008/2009 financial year amounted to DKK 1,004.8 million, down 12% on the 2007/2008 financial year. In other words, BoConcept Holding realised revenue within the interval of minus 12-14% that is in accordance with BoConcept Holding's downward adjustment published in its 2008/2009 third quarter report, but considerably below the 8-10% growth forecast at the beginning of the financial year.

The DKK 137.1 million revenue decline from the 2007/2008 financial year is the combined consequence of the 10.0% net revenue decline experienced by the BoConcept Brand Stores and the phasing out of product customers and BoConcept Studios, which resulted in a DKK 39.3 million revenue decline.

	DKK million
Realised in 2008/2009	1,141.9
Phasing out product customers and studios	(39.3)
Net development of brand stores	(97.8)
Realised in 2008/2009	1,004.8

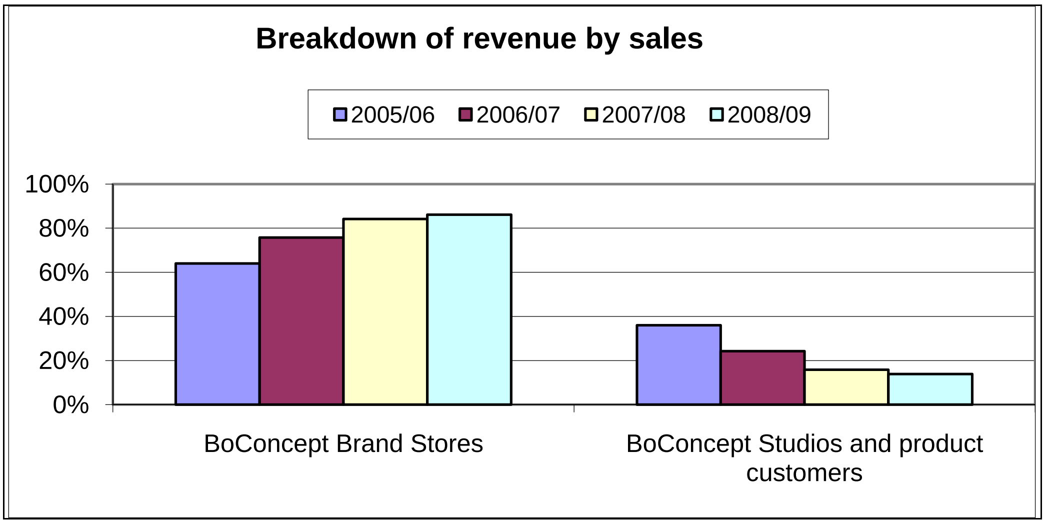
The considerable slowdown in the market for durable consumer goods, which accelerated into a global macroeconomic recession in the autumn of 2008 and the winter of 2009, had a dramatic effect on sales in all the 50 markets in which BoConcept maintains a presence. The economic slowdown seriously affected consumer spending and thus also store traffic and order intake levels in BoConcept Brand Stores. Our A markets in Spain, the USA, Denmark and England were hit the hardest, whereas the French market only showed signs of decline towards the end of the 2008/2009 financial year.

Despite improvements in basket size and hit rate, the decline in store traffic was so great that same-store-sales in the BoConcept Brand Stores fell by 16% measured across the entire 2008/2009 financial year. Market trends caused the decline in same-store-sales to steepen during the financial year and thus, in the fourth quarter of 2008/2009 alone, sales fell by 22% on the corresponding period of the previous year.

The macroeconomic decline also had an effect on the net addition of brand stores in the 2008/2009 financial year. BoConcept has thus opened a total of 44 BoConcept Brand Stores and closed 21 since 1 May 2008; at 30 April 2009 the franchise chain consisted of 247 brand stores in total. BoConcept owns 22 of these stores, an increase of nine stores on the previous year. The net addition of brand stores in the 2008/2009 financial year was considerably below the 35-40 stores originally expected and also below the most recently forecast net addition of approximately 30 stores. The main reason for this is that more stores closed as a result of the challenging market conditions than originally predicted. Thus 13 brand stores closed in the fourth quarter of 2008/2009 alone.

In line with BoConcept Holding's strategy of brand stores as its primary sales channel, the revenue contribution of these stores rose to 86% in the 2008/2009 financial year. The remaining share of revenue was produced chiefly by BoConcept Studios. At year-end 2008/2009, the number of BoConcept Studios was 109, corresponding to the expected and scheduled net reduction by 23 units.

The graph below shows revenue trends by channel of distribution.



In the 2008/2009 financial year, BoConcept Holding generated a gross profit of 39.4%, compared with 39.9% the previous year. In comparison with the 2007/2008 financial year, gross profit was under pressure from foreign exchange rate trends, a changed product mix and higher marginal production costs. It proved impossible to reduce costs as fast as revenue declined, nor were any price increases implemented in the 2008/2009 financial year. Seen in isolation, the gross margin improved by 2.1 percentage points as a result of the implementation of efficiency enhancements in the company's own production and additional sourcing from China. A total of 74% of revenue was sourced from external manufacturers in the 2008/2009 financial year.

Also in the 2008/2009 financial year, sales and distribution costs amounted to DKK 329.7 million, or 32.9% of net revenue, compared with DKK 312.5 million and 27.4% of revenue the year before. A major reason for the increase was that DKK 30.5 million was charged to the income statement in the 2008/2009 financial year, representing losses and provisions for debtors. In comparison, last year's figure was an income of DKK 0.2 million. In addition to this, the cost level was geared for growth.

In the 2008/2009 financial year, other operating income and expenses amounted to DKK 13.6 million net, compared with an income of DKK 2.0 million in the 2007/2008 financial year. Other operating expenses primarily consist of restructuring and one-off costs totalling DKK 14.2 million that were incurred in connection with various measures implemented in the course of the financial year with a view to adapting costs to the level of activity and obtaining a more cost-effective group structure: most notably the closure of our production facility in Herning and adjustments in the market organisation.

Accordingly, the company realised an aggregate operating loss (EBIT) of DKK 12.1 million in the 2008/2009 financial year, compared with a profit of DKK 78.8 million in the 2007/2008 financial year. The 2008/2009 figure is slightly below our most recent forecast.

Net financials represent a cost item of DKK 17.5 million in the 2008/2009 financial year: of this figure, foreign exchange losses – which primarily stem from losses on forward exchange contracts denominated in Japanese yen – amounted to DKK 10.9 million. As a result of a higher level of interest-bearing debt in the 2008/2009 financial year, net interest expenses rose further, reaching DKK 6.6 million in the 2008/2009 financial year, compared with DKK 6.1 million the year before.

In the 2008/2009 financial year BoConcept Holding suffered a pre-tax loss of DKK 29.6 million, versus a profit of DKK 67.7 million for the previous financial year. The realised profit is below the

DKK 75-90 million in pre-tax profit predicted at the beginning of the year, but in line with the most recent forecast of a pre-tax loss of between DKK 20 and 30 million.

Tax for the year amounts to DKK 2.2 million, corresponding to an effective rate of tax of 7.3%. The company thus realised a loss after tax of DKK 27.5 million, compared with last year's profit after tax of DKK 48.9 million. The tax rate is affected by a reduction in deferred tax.

Summary of result developments:

DKKm	2007/08	2008/09	Devia.
Revenue	1141,9	1004,8	-137,1
Pretax result	67,7	-29,6	-97,3
Provisions for bad debts	0,2	-30,5	-30,7
Restructuring	2,0	-13,6	-15,6
Currency (finance)	-11,0	-18,2	-7,2
Deviation 'marginal'			-43,8

The above scheme shows the main explanations to the result development compared to last year as well as lacking earnings of DKK 43.8 million as a consequence of the revenue decline of DKK 137.1 million.

Balance sheet
BoConcept Holding's total assets were DKK 522.3 million at year-end 2008/2009, down DKK 17.0 million on last year.

Non-current assets were up by DKK 17.6 million, primarily as a result of BoConcept Danmark purchasing master rights in March 2009 and generally increasing the number of its own stores throughout the year.

Current assets stood at DKK 265.4 million at year-end, representing a DKK 34.6 million decline on the year before. This trend firstly reflects a DKK 1.8 million reduction in the funds tied up in inventories, representing two factors going in opposite directions: partly an inventory reduction in the distribution centres compared with last year and partly a higher number of own stores. Secondly, the decline in non-current assets stems from a reduction in trade creditors from DKK 131.6 million last year to DKK 103.6 million at the end of the 2008/2009 financial year. The trend in receivables reflects the lower level of activity as well as an increase in debtor days due to an inability to pay on the part of certain franchisees. In the 2008/2009 financial year, BoConcept implemented measures to prevent debtor days from increasing further, thus effecting a reduction in debtor days from 60 in the third quarter to 45 in the fourth quarter.

At the general meeting held on 28 August 2008, the company in general meeting passed a resolution to distribute dividend for 2007/2008 in the amount of DKK 8 per share, corresponding to a total dividend distribution of DKK 21 million. Furthermore, the company repurchased 94,113 class B-treasury shares for a total price of DKK 17.8 million in the 2008/2009 financial year. At year-end BoConcept Holding's portfolio of class B-treasury shares amounted to 143,913 shares, corresponding to 5.5% of the share capital.

At the balance sheet date, the group's equity amounted to DKK 146.2 million, resulting in an equity interest of 28%, which is below BoConcept Holding's overall target of an equity ratio of 30-40%.

In the 2008/2009 financial year, BoConcept Holding reduced its long-term debt by DKK 15.5 million to DKK 102.6 million, including deferred tax of DKK 23.4 million, and current interest-bearing liabilities amounted to DKK 137.5 million at the end of the financial year, compared with last year's figure of DKK 62.1 million. Net interest-bearing debt thus rose from a total of DKK 150.0 million in the 2007/2008 financial year to DKK 216.7 million in the 2008/2009 financial year.

At year-end, BoConcept held unused credit facilities of DKK 43.5 million, in addition to its cash funds.

Cash flow
The company realised an operating cash outflow of DKK 10.2 million, reflecting the revenue decline on the negative side and a reduction in the funds tied up in working capital on the positive side.

The company made net investments totalling DKK 37.8 million in the 2008/2009 financial year. Gross investments may be broken down into the following items: Acquisitions of brand stores as well as Danish master rights of DKK 10.2 million; reinvestments in property, plant and equipment of DKK 24.0 million; and investments in intangible assets totalling DKK 4.5 million. The level of investments is below the forecast issued at the beginning of the year.

BoConcept Holding thus realised cash outflows of DKK 48.1 million in the 2008/2009 financial year before instalments on long-term debt. This is a significant departure from the predicted cash inflows of at least DKK 35 million, but better than the revised forecast issued in March 2009 of a cash outflow of DKK 60-70 million before instalments on long-term debt, the improvement primarily due to stricter control of funds tied up in working capital.

Distribution of profit
The supervisory board of BoConcept Holding recommends to the company in general meeting that no dividends be distributed.

Strategy plan and long-term objectives updated

The key element of BoConcept's strategy is to provide the framework for profitable growth based on group sales of branded furniture and accessories collections through the global franchise-based chain of BoConcept Brand Stores. The strategy was formulated in a number of ambitious targets to be reached by the year 2011/2012, based on the assumption that market trends would be stable.

However, due to the dramatic financial and real economic crisis which gained momentum everywhere and heightened insecurity among financial institutions and consumers in the 2008/2009 financial year, assumptions of growth must be considered moot. The dramatically declining global market for durable consumer goods puts same-store-sales under pressure and makes it more difficult to operate a profitable franchise business, which in turn has a negative impact on existing stores and potential new store openings.

To take on current market challenges, and realising that as a result of global macroeconomic developments it is no longer possible to achieve the targets for 2011/2012 by the end of that period, BoConcept has increased its strategic focus in three principal areas.

Firstly, the group has launched a number of initiatives to strengthen the franchise concept and boost same-store-sales in the franchise chain and thus help safeguard the earning capacity of stores. The key elements of the strategy are:

- Implementation of activities that stimulate sales and structured communication to the markets
- Adjusting the collection and price level to the market situation
- Development of a Multi Channel Retail solution to boost sales in the franchise chain and expand the sales channel
- Reorganising the support function to offer individual needs-based assistance to stores

Secondly, BoConcept's management has launched an optimisation process with a view to trimming the group's structure and making it more cost-effective. In the face of the challenges in the market, this process aims to reduce operational and financial risks and bring back profitability and cash flows. Bearing in mind that BoConcept must be able to provide stores and franchisees with a high level of service in all areas, BoConcept's management is giving special attention to:

- Creating efficient and flexible decision-making processes throughout the value chain
- Making distribution and warehousing costs more flexible and implementing efficiency and cost-cutting measures in production, distribution and administration
- Forming even closer relationships with key suppliers to ensure competitive purchasing prices, optimise terms of delivery and increase the sourcing ratio
- Reducing funds tied up in working capital and non-current assets

While the company implemented restructuring measures as early as in the 2008/2009 financial year that reduced the company's capacity costs by at least DKK 50 million on a full-year basis, the other elements are essential ingredients of a short-term strategy to be in effect until the markets have improved.

Thirdly, management is very determined to create the financial latitude necessary to provide the best possible protection of the assets in the franchise chain should the unfavourable economic trends in BoConcept's underlying markets continue. At year-end 2008/2009, BoConcept Holding's equity ratio was 28.0% rather than the 30-40% that the company had set itself at as target for its capital structure in the long term. To improve the group's equity ratio and cash resources the supervisory board will recommend to the company in general meeting in August 2009 that its share capital be increased up to 9.99% by means of a direct issue of new class B-shares.

Since sales of BoConcept products closely follow the fluctuations in the market, management takes the view that the volume of same-store-sales in the franchise chain and the net addition of brand stores will not improve until we see a sustained stabilisation in macroeconomic factors such as GNP growth, consumer confidence, home sales and disposable income.

Due to the considerable uncertainty as to when such improvement will take place and the short-term view prevailing in the market for durable consumer goods, it would make no sense to set a date for a return to growth in group sales at present.

However, management still believes that BoConcept's business model holds considerable earning potential, as outlined in the previously published targets for 2011/2012. Even though conditions for realising this earning potential have changed considerably over the past year, both as regards timing and method, the company still aims to achieve an operating margin of 12% and a cash flow of at least 6% of revenue in the long term. The company will endeavour to reach this goal by means of strict cost and balance sheet control and by taking advantage of the market potential that arises naturally in the wake of a crisis.

Other events

Increased sourcing and supplier integration
BoConcept's sourcing strategy is to develop trading relationships with strategic suppliers to secure a critical mass which also makes close integration attractive. This sourcing strategy will make it possible to negotiate attractive purchasing prices and improved credit terms, and it will also enable BoConcept to realise its delivery and quality targets without having to invest heavily in its own production facilities.

Of total revenue in the 2008/2009 financial year, 74% was sourced from sub-contractors. The aim is to increase this ratio to 80-85% within the next few years. The sourcing ratio is expected to amount to 75-80% of revenue in the 2009/2010 financial year.

BoConcept is systematically setting up a warehousing and distribution structure in which capacity and costs are made variable through outsourcing so that they can be matched to demand, thus reducing risk. In this connection, a key element in closer supplier integration is to have strategic partners take over aspects of the warehousing function and thus reduce the amounts BoConcept has tied up in inventories and increase the rate of turnover in the company's own inventories.

Since BoConcept Brand Stores and studios are serviced by the distribution centres in Ølgod and Herning (Denmark), New Jersey (USA) and Tokyo (Japan), the stores do not normally stock their own products. To make distribution more efficient, reduce delivery times – primarily for the Asiatic markets – and cut costs, BoConcept is currently looking into locating its Asiatic distribution centre in China. The final decision will be made in the first half of the 2009/2010 financial year.

Adapting own production facilities and capacity costs
With a view to making the organisation and production as slim and efficient as possible and thus ensure profitability in a declining market, BoConcept implemented several restructuring measures in the 2008/2009 financial year.

Staffing at the company's own production facilities was continually adapted to the lower level of activity in the first half of the 2008/2009 financial year, and this helped maintain the level of gross profit. Furthermore, BoConcept closed down the board factory in Herning in February 2009 and relocated its board furniture production to a centralised location at the company's factory in Ølgod. The company's own production of board furniture has proved more effective than sourcing and by centralising the company's own production of board furniture in one location, the company ensures a high level of capacity exploitation and through this better opportunities to continually invest in new production technology, which in turn will make its own production even more competitive. As a result of the closure, 40 production-related jobs were shed: This will bring about annual savings of at least DKK 10 million starting in the 2009/2010 financial year.

As the economic recession worsened, BoConcept increased its focus on efficiency enhancement and cost-cutting measures in all links of the value chain during the second half of 2008/2009. To maintain a high level of service provided to stores and franchisees, white-collar positions were shed and cost adjustments implemented in the head office administrative function as well as in subsidiaries and market organisations. The combination of these measures will cut capacity costs by at least DKK 50 million a year.

The restructuring and efficiency enhancement measures implemented have reduced BoConcept's break-even sales by approximately 15% on the 2008/2009 financial year and will reduce capacity costs by DKK 40 million in the 2009/2010 financial year. The measures will have their full impact during the following year.

Market development and activities in brand stores
Both same-store-sales and the net addition of brand stores were hard hit by the increasing real economic decline in the 2008/2009 financial year that followed in the wake of the international financial crisis.

As a result, traffic to BoConcept Brand Stores was down by just over 25% on the year before, and this had a considerable impact on the order intake, revenue and same-store-sales, despite the fact that the hit rate and basket size rose by 6% and 5% respectively in the 2008/2009 financial year.

Market-oriented initiatives
The 2009 collection, which was introduced in September 2008 and replaced approximately 20% of the complete collection, was divided into three different styles: Mystery Mood, Global Ground and Dimension Delight, which in line with the company's strategy could be mixed and matched across the board with respect to colour, wood type, and design. With a high design content and a price level which remained the same as in the previous year.

Despite a favourable reception from customers and franchisees, this collection launch was unable to offset the negative impact that the continued adverse macroeconomic development had on the order intake, which reduced traffic to BoConcept Brand Stores more and more over the course of the financial year. As a reaction to the very challenging market conditions, BoConcept launched a number of market-oriented initiatives designed to increase store traffic, awareness of the BoConcept brand, and interest in BoConcept products, and thus ultimately lay the foundation for increased sales.

Marketing of the collection was reassessed so that it gave more exposure to traffic- and sales-creating commercial product lines. Moreover, the collection was supplemented by new products in February 2009 to satisfy the demand. At the annual franchise fair in December, the BoConcept inspiration Camp, updated sales strategies were presented, new marketing tools launched, and a new communications platform introduced that will be implemented in connection with the launch of the 2010 collection in September 2009 under the pay-off 'No Limits'. With this new collection, composed of the three new styles Mania Mix, Delicate Detail and Pure Pole, BoConcept aims to adhere to its differentiation strategy and retain its position at the top end of the medium market by continuing to provide high design content, a wider range of materials and high quality. As a result of the global economic recession and the changed patterns of demand, most of the new products in the collection will be in the low price range, in addition to which these will have focus on attractive entry prices in each category with a view to emphasising BoConcept's image and brand as affordable luxury.

BoConcept introduced a new proactive sales tool in the 2008/2009 financial year: Interior Decoration, which gives customers access to professional interior decoration advice in their own homes and intensifies the unique shopping experience BoConcept wishes to give its customers. BoConcept interior decorators are specially trained at BoConcept University, BoConcept's central training organisation, which is responsible for development, sales and product training of all store employees. Activities at BoConcept University were considerably intensified in the 2008/2009 financial year, with more courses held than ever before to ensure that customers were given extraordinary and well-qualified service.

Setting up Multi Channel Retail (e-commerce platform)
With a view to optimising the marketing and sales conditions for BoConcept's collection, management formulated a Multi Channel Retail strategy in 2008/2009. In recent years, purchasing behaviour has changed dramatically, shifting to online information search and product comparison: With its Multi Channel Retail initiative, BoConcept aims to provide optimal conditions for meeting and serving customers wherever and whenever they prefer.

The strategy is aimed at intensifying online marketing and sales efforts and turning BoConcept's online presence into the group's most important showcase and principal medium in its international marketing strategy. One way of doing this is by creating an online presence that demonstrates its collection's diversity, internal co-ordination and potential for individual solutions. Another is to add an e-commerce trading solution which is fully integrated into the website and the company's Axapta solution.

Work has begun on optimising the website, which involves further development of BoConcept's existing configurator program, Furnish which will enable online users to set up personalised furniture solutions and visualise how items will look in their own homes. Furthermore, a My BoConcept Universe will be set up where customers can store their own drawings, quotations, orders etc. At the same time, My BoConcept will form the basis for the chain's future CRM system and online marketing. Online customers will still be provided with service and support by the physical stores.

Future Furnish, as the new configurator is called, will presumably be launched together with My BoConcept and the e-commerce solutions at the beginning of the 2010/2011 financial year.

Reorganising franchisee support

It is of vital importance to BoConcept's long term growth and earning potential to ensure that the stores in the franchise chain are in high standing with their customers and that the franchise concept is attractive in order to retain current franchisees and attract new ones.

On a platform of chain maturation and changed market conditions, BoConcept implemented a structural and organisational change in the franchisee support system at the head office and in the market organisations in the second half of the 2008/2009 financial year. The pivotal point of this change was the support organisation itself, which is now equipped to identify, address and help solve the specific challenges franchisees face.

Whereas this support used to be more in the form of general assistance, day-to-day contact with and support to the stores will in future be handled by Retail Account Managers (RAMs) or Regional Directors (REDs) who, in consultation with franchisees, will continually assess the development potential of a given brand store and decide what kind of specialist support the store needs. The specialist functions – which include store openings, visual merchandising, BoConcept University coaches and Axapta super users – are centralised at the head office and will at the request of RAMs/REDs be dispatched to the relevant brand stores to provide the required support.

Firstly, this changed organisation of the support function will secure franchisee access to the exact skills, sparring and support they may need to support the store's future growth and improve conditions for profitable operations. Secondly, the BoConcept support function will become more efficient and cost-effective.

Number of brand stores and studios

A total of 44 new BoConcept Brand Stores opened and 21 closed in the 2008/2009 financial year. At 30 April 2009, the franchise chain consisted of a total of 247 brand stores, 22 of which were owned by BoConcept. The net addition of brand stores, which is less than the 35 to 40 stores originally expected, was dramatically affected by the adverse global economic trends, which also resulted in more closures. Thus 13 brand stores closed in the fourth quarter of the 2008/2009 financial year, and this trend is expected to continue into the 2009/2010 financial year.

At year-end 2008/2009, the number of BoConcept Studios was 109, corresponding to an expected net reduction of 23 units.

In accordance with our strategy, the revenue contribution from brand stores is on the increase: 87% in the 2008/2009 financial year compared with 84% the year before. The total floorage of brand stores has risen from 113,525 m^2 to 120,640 m^2, corresponding to an average floorage of 488 m^2 per brand store compared with 506 m^2 last year.

Throughout the 2008/2009 financial year, BoConcept was approached by many current and potential franchisees wishing to open new stores. A side effect of the global economic recession was apparently that many more stores at top-end locations were offered at attractive terms than before.

As a result of the crisis and difficult sales conditions, BoConcept tightened requirements to its franchisees' business plans, financing models and operating economy in the second half of 2008/2009, as part of its aim of sharpening its focus on the profitability of the chain and the group. Combined with existing franchisees' increased focus on consolidation and the fact that it is more difficult to obtain financing, this has thinned out the pipeline, which totalled 13 stores at 30 April 2009 as opposed to 30 stores at the same time last year.

Management takes the view that the pipeline cannot be expanded until the macroeconomic factors have stabilised and, as a result, market risk is reduced. In the 2009/2010 financial year, store openings will primarily take place in our A markets, but the same markets will also see the most closures due to consolidation. Since management's forecast was made on the assumption that the difficult macroeconomic and market conditions will continue, we estimate a total of approximately 20-25 new openings and approximately 30-40 brand store closures in the 2009/2010 financial year.

Market developments
In line with our expansion strategy, the chain has primarily expanded in our A markets in the 2008/2009 financial year. Of the net addition of 23 brand stores, 18 store openings were on the A markets and five on the remaining markets.

Through its brand stores and studios, BoConcept had a presence in 50 markets worldwide at the beginning of the 2009/2010 financial year, and this protects the company against regional market fluctuations. Thus, in 2008/2009, stores opened in six new markets: Egypt, Mexico, Singapore, Qatar, Italy and Switzerland.

When opening brand stores in new markets, BoConcept applies a two-string cluster strategy according to which new countries are either dealt with as 'mega-cities' if the market potential is considered sufficiently large to set up stores backed by a support and logistics structure, or they are serviced and supported by an existing market organisation located nearby.

The effect of the growing economic crisis was most pronounced in the markets in Spain, the USA, England and Denmark, but rapidly declining sales eventually also came to BoConcept's other principal markets as well.

Revenue in **France**, BoConcept's largest single market, was not affected by the recession that followed in the wake of the global economic slowdown until late in the financial year. This plus ten new sales entities – more than was expected – in the course of the year and the full-year effect of brand store openings last year resulted in the French market seeing a revenue increase of 13%. After a number of years with rapid growth, the coming financial year will be a year of consolidation in which the number of store openings and closures will offset each other.

In **Germany**, one store closed in the 2008/2009 financial year, but one or two BoConcept Brand Stores were expected to open. Just as the majority of the other principal markets, the German market has been affected by a reduced propensity to consume and has seen a total revenue decline of 8% compared with the year before. At the end of the financial year, the number of brand stores totalled 15; no net addition is expected in 2009/2010.

In the **USA**, six new brand stores opened in the 2008/2009 financial year, as was expected. Four brand stores and seven studios closed during the same period. Considerably tougher sales conditions resulted in a dramatic decline in same-store-sales in the American market, and revenue fell by 8% in the 2008/2009 financial year, which was considerably below the expected 10% growth in terms of the US dollar forecast at the beginning of the year.
Conditions in the American market remain extremely uncertain, and, here at the beginning of the 2009/2010 financial year, it looks as though two or three stores may have to close. The latest stores have all been rented out on more favourable terms, which means that they have a lower break-even sales point and are thus better able to make a profit, even in times of crisis.

In **Spain**, revenues suffered dramatically due to the slowdown in the market. With the opening of five new brand stores and the closure of the same number, the market experienced considerable pressure on same-store-sales and a revenue decline of as much as 29% compared with last year, in spite of an unchanged number of sales outlets. In Spain, the chain's brand stores are typically smaller and older than in other locations, and considerable upgrading and consolidation of the sales outlets is therefore to be expected. The number of brand stores in this market is expected to decline considerably in the 2009/2010 financial year.

In **Japan**, revenue in terms of local currency fell by 8%, despite the fact that two new brand stores opened in the financial year. The number of brand stores is 21 at the end of the 2008/2009 financial year, and BoConcept expects to open another two stores on the Japanese market, including one own store in Tokyo in the 2009/2010 financial year.

In **Denmark**, two new brand stores opened and one closed during the year. At the same time, the last seven studios at IDEmøbler have closed. The Danish market was also greatly affected by the economic recession and lower levels of store traffic. Thus it was impossible to realise the revenue increase expected at the beginning of the year: In fact, the year ended with a 30% revenue decline. In line with the consolidation process in the Danish market, BoConcept acquired the master rights and six stores. The Danish market is expected to stabilise in the 2009/2010 financial year, despite a reduction in the number of brand stores.

Norway remains a pure studio market where BoConcept has entered into a strategic collaboration with the furniture chain Skeidar, which now has 42 studios in operation. As is the case with the other markets, the Norwegian market is affected by decline, and this has led to a 30% downturn in revenue. In addition to this, the BoConcept Studios-related sales in the Skeidar furniture chain have decreased.

In **England**, one new brand store opened at the end of the 2008/2009 financial year, and this brings the total number of stores in this market up to eight. Nevertheless, revenue fell by almost 20% as a result of the economic slowdown. Revenue stabilised at the end of the 2008/2009 financial year, and three new stores are expected to open in the 2009/2010 financial year.

In **Sweden**, total revenue fell by 14% in the 2008/2009 financial year on the year before, despite a net addition of two brand stores. The Swedish market is expected to stabilise in the 2009/2010 financial year.

In **China**, revenue fell by 14% in the 2008/2009 financial year, despite the net addition of one brand store.

Market breakdown

		Stores	Studios	Revenue
France	+	31		17%
Germany	+	15	8	11%
USA	+	25	11	10%
Spain	+	36	3	7%
Japan	+	21		7%
Denmark		14		7%
Norway			42	5%
England		8	5	5%
Sweden		8	2	5%
China		11		1%
Total A markets		169	71	75%
B & C markets		78	38	25%
Total		247	109	100%

+) Markets with resources allocated to active franchise search.

Forecast for 2009/2010
Driven by the ever-worsening recession, a rapid slowdown in the number of home sales and declining consumer confidence, the global macroeconomic slowdown in the 2008/2009 financial year brought with it a dramatic change in consumer purchasing behaviour and drastically reduced propensity to spend in all of BoConcept's principal markets. At the beginning of the 2009/2010 financial year, we must face the fact that the adverse trends continue to prevail, and sales conditions for durable consumer goods, which include BoConcept's products, must still be considered extremely challenging.

The management of BoConcept expects that difficult market conditions and low levels of store traffic will continue in the year ahead, and this will put a great deal of pressure on order intake and revenue in the franchise chain, due partly to a decline in same-store-sales of 5-10% and partly to the expected net reduction in number of BoConcept Brand Stores by 10-20, covering approx. 20-25 new store openings and approx. 30-40 store closures. Provided that global market conditions remain unchanged, management expects that the 2009/2010 financial year will see a total revenue decline of 10-15% on the 2008/2009 financial year.

To counteract the difficult sales conditions prevailing in the 2009/2010 financial year, BoConcept will allocate substantial resources to optimising activities that support sales and create store traffic and to the individual needs-based support of franchisees to ensure the sound operation of stores and safeguard the strength and reputation of the franchise chain.

An increasing share of revenue will be sourced from external parties in the 2009/2010 financial year, parties with whom prices and terms of payment have been renegotiated to make them more attractive to BoConcept. The effects of centralising the company's production at Ølgod and adjusting capacity costs to the lower level of activity will lay the foundation for an improved gross margin in 2009/2010.

As mentioned above, the restructuring measures in production, distribution, administration and market organisations, which together will reduce capacity costs by DKK 40 million in the 2009/2010 financial year, have lowered the break-even sales point by approximately 15% on 2008/2009. Despite the expected revenue decline, the considerable uncertainty prevailing in the market, and expected losses and provisions for debtors in the region of DKK 20 million, BoConcept Holding stands to realise a break even result before tax in the 2009/2010 financial year.

In the 2009/2010 financial year, the company will continue its intensive effort to reduce funds tied up in working capital, e.g. through a considerable reduction in inventories and receivables. Combined with improved operating results and investments in the region of DKK 20 million, this effort is expected to result in a cash inflow before instalments on long-term debt that totals 2-3% of revenue.

As described above, the supervisory board of BoConcept Holding will recommend to the company in general meeting in August 2009 that share capital be increased class B-shares are issued corresponding to 9.99% of current share capital.

The forecast for the 2009/2010 financial year is based on the assumption that foreign exchange rates will remain unchanged from the level of foreign exchange rates prevailing at 30 April 2009.

BoConcept Holding would stress 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 macroeconomic factors such as GNP growth, home sales, consumer confidence, and disposable income trends. Should these variables continue to deteriorate, the franchise chain will have even tougher sales conditions to contend with, and thus management's expectations with respect to financial trends for the 2009/2010 financial year may not be realised. On the other hand, by means of its business model and the initiatives mentioned, BoConcept will be in a good position to increase its earnings, should market conditions improve.

Post balance sheet events
BoConcept A/S has entered into agreement with the master franchisee in Spain to take over the master rights to the Spanish market as per 1 September 2009. This is in line with BoConcept's strategy of owning the master rights to all principal markets. The purchase is payable over several years and will thus have a limited net effect on the company's financial position.

Apart from the event mentioned above, the supervisory board is aware of no events after 30 April 2009 which will materially influence the financial position of the group.

Resolutions of the supervisory board and motions to be tabled at the annual general meeting
The supervisory board has decided to table the following motions for consideration by the company in general meeting:

1. No dividend will be distributed for the 2008/2009 financial year
2. Authorisation of the supervisory board to acquire up to 10% of the company's share capital before the next annual general meeting with reference to section 48 of the Danish Companies Act
3. Authorisation of the supervisory board that its share capital be increased up to 9.99% by means of a direct issue of new class B-shares

General meeting
The annual general meeting will be held on the company's premises at Herning on 27 August 2009 at 4pm.

Annual report for 2008/2009
The published annual report is expected to be available in early August 2009.

Best regards
BoConcept Holding A/S

Svend Sigaard	Viggo Mølholm
Chairman of the supervisory board	President & CEO

Income Statement for 1 May 2008 - 30 April 2009

	2008/2009 DKK'000	2007/2008 DKK'000
Revenue	1.004.786	1.141.888
Production costs	-608.734	-686.016
Gross profit	396.052	455.872
Sales and distribution costs	-329.697	-312.526
Administrative expenses	-64.905	-66.551
Other operating income	588	3.690
Other operating expenses	-14.164	-1.694
Profit from operating activities	-12.126	78.791
Financial income	3.547	3.350
Financial expenses	-21.060	-14.457
Profit before tax	-29.639	67.684
Tax on profit for the year	2.155	-18.761
Profit for the year	-27.484	48.923
Broken down as follows:		
Shareholders of BoConcept Holding A/S	-27.197	48.923
Minority interests	-287	0
	-27.484	48.923
Earnings per share		
Earnings per share	-11,0	19,4
Diluted earnings per share	-8,2	18,9

Balance Sheet as at 30 April 2009

	2009 DKK'000	2008 DKK'000
ASSETS		
Goodwill	15.017	10.791
Master rights	16.681	7.983
Software	6.219	5.647
Total intangible assets	37.917	24.421
Land and buildings	92.839	94.167
Leasehold improvements	20.998	12.704
Plant and machinery	46.500	56.145
Fixtures and fittings, other plant and equipment	9.521	8.672
Property, plant and equipment in progress	6.756	7.486
Total property, plant and equipment	176.614	179.174
Deferred tax	19.646	19.841
Other financial assets	5.063	6.300
Deposits	17.717	9.653
Total other non-current assets	42.426	35.794
Total non-current assets	256.957	239.389
Inventories	139.816	141.571
Receivables	103.603	131.557
Other receivables	13.715	19.327
Assets held for sale	2.104	0
Cash	6.120	7.473
Total current assets	265.358	299.928
TOTAL ASSETS	522.315	539.317

Balance Sheet as at 30 April 2009

	2009 DKK'000	2008 DKK'000
LIABILITIES AND EQUITY		
Share capital	26.237	26.237
Reserve for hedging transactions	0	0
Translation reserve	1.088	-10.184
Retainted earnings	118.798	158.756
Dividend proposed	0	20.990
Equity attributable to shareholders of BoConcept Holding A/S	146.123	195.799
Minority interests	-31	0
Total equity	146.154	195.799
Deferred tax	23.433	30.220
Employee bonds	1.947	437
Mortgage credit institutions and banks	77.200	87.416
Total non-current liabilities	102.580	118.073
Mortgage credit institutions and banks	137.528	62.138
Trade payable	59.978	70.643
Prepayment for customers	14.791	17.556
Other payables	61.284	75.108
Total current liabilities	273.581	225.445
Total liabilities	376.161	343.518
TOTAL LIABILITIES AND EQUITY	522.315	539.317

Contigent liabilities and security
Currency risk
Related parties

Statement of equity movements

	Share capital	Reserve for hedging transaction	Translation reserve	Retained earnings	Dividend proposed	Total
Equity as at 1 May 2007	26.000	2.158	(3.948)	119.057	5.200	148.467
Profit for the year				48.923		48.923
Translation reserve			(6.236)			(6.236)
Reserve for valutakursreguleringer						
Value adjustment of hedging instruments, beginning of the year		(2.158)		770		(1.388)
Value adjustment of hedging instruments, year-end		0				0
Total income	0	(2.158)	(6.236)	49.693	0	41.299
Capital increase/employee shares	237			4.512		4.749
Cost of capital increase				(144)		(144)
Share based payments				5.041		5.041
Income from treasury shares				1.391		1.391
Distributed dividend					(5.200)	(5.200)
Dividend proposed				(20.990)	20.990	0
Dividend treasury shares				196	0	196
Other equity movements	237	0	0	(9.994)	15.790	6.033
Equity as at 30 April 2008	26.237	0	(10.184)	158.756	20.990	195.799
Loss for the year				(27.484)		(27.484)
Translation reserve			11.272			11.272
Total income	0	0	11.272	(27.484)	0	(16.212)
Share-based payments warrants				2.911		2.911
Income from treasury shares				1.781		1.781
Purchase treasury shares				(17.796)		(17.796)
Distributed dividend					(20.990)	(20.990)
Dividend proposed	0	0	0	0	0	0
Dividend treasury shares	0	0	0	630	0	630
Other equity movements	0	0	0	(12.474)	(20.990)	(33.464)
Equity as at 30 April 2009	26.237	0	1.088	118.798	0	146.123

CASH FLOW STATEMENT 2008/2009

	2008/09 DKK'000	2007/08 DKK'000
Revnue and other operating income	1.004.786	1.145.579
Operating expenses	-1.017.500	-1.061.746
Depreciation and amortisation	36.531	31.174
Change in net working capital	4.132	8.448
Cash flow operating activities before financial items	27.949	123.455
Interest income etc.	3.547	3.350
Interest paid	-22.115	-14.457
Cash flow from ordinary operating activities	9.381	112.348
Income taxes paid	-19.633	-18.123
Cash flow from operating activities	-10.252	94.225
Acquisition of intangible fixed assets	-4.512	-5.111
Sale of intangible fixed assets	313	0
Acquistion of property, plant and equipment	-23.992	-42.782
Sale of property, plant and equipment	1.590	394
Acquisition of investment	-6.988	-2.194
Sale of investment	4.967	174
Acquisition of companies	-10.200	0
Sale of companies	984	4.791
Cash flow from investing activities	-37.838	-44.728
Cash flow before repayment of bank debt	-48.090	49.497
Instalments on long-term debt	-16.268	-15.801
Proceeds raising of long-term debt	1.000	7.900
Employee bonds	1.510	437
Shareholders:		
Køb egne aktier	-17.796	0
Capital increase /employee shares net	0	4.604
Earnings sale of treasury shares	1.781	1.391
Dividend paid	-20.360	-5.004
Cash flow from financing activities	-50.133	-6.473
Net cash inflow / outflow	-98.223	43.024
Cash and cash equivalents less short-term bank debt, beginning of the year	-30.127	-73.150
Revaluation of cash and cash equivalents	1.055	-1
Cash and cash equivalents at year-end	-127.295	-30.127