

Announcement no. 7/2012

Herning, 5 December 2012

ANNOUNCEMENT OF FINANCIAL RESULTS FOR THE FIRST SIX MONTHS OF 2012/2013 FOR BOCONCEPT HOLDING A/S

Despite a successful launch of its 2013 collection, BoConcept's level of activity is affected by the prevailing difficult market conditions, causing the group to make a downward adjustment of its guidance with regard to revenue, expansion and profit on par with last year's level. However, BoConcept will at the same time launch a range of promotional activities with the aim of ensuring the profitability in the existing stores and that financial resources are applied in the expansion of the group

Second quarter of 2012/2013 (1 August 2012 to 31 October 2012)

- Revenue was DKK 278.1 million compared with DKK 287.0 million last year, representing a 3.1% decline
- Same-store-sales (order intake) were up by 7.2%
- The gross profit margin was 42.6%, compared with 42.9% last year
- EBIT amounted to DKK 8.9 million, corresponding to an operating margin (EBIT margin) of 3.2%, versus 5.5% last year
- Seven new brand stores opened and nine closed in the course of the reporting period. The chain consisted of 250 stores at the balance sheet date

First and second quarters of 2012/2013 (1 May to 31 October 2012)

- Revenue was DKK 524.8 million, corresponding to an increase of 3.7% on an annual basis.
- Same-store sales (order intake) were up by 6.9%
- The gross profit margin was 43.9%, compared with 42.7% last year
- EBIT was DKK 18.3 million, compared with DKK 14.3 million last year
- Pre-tax profit was DKK 16.4 million, which is on par with last year
- Ten new brand stores opened and fifteen closed in the course of the reporting period. The project department consists of 15 stores scheduled for opening in the second half of the 2012/2013 financial year
- The balance sheet total was DKK 551.6 million at 31 October 2012
- Cash flow before instalments on long term debt totalled DKK 5.9 million, compared with DKK 3.6 million last year

Forecast for the 2012/2013 financial year

After six months of increasing uncertainty and toughening market conditions, the management is forced to acknowledge the fact that current conditions make it impossible to achieve the targets originally set. As a result, the group is making a downward adjustment to its predicted revenue, number of new stores, and profit for the 2012/2013 financial year.

- Revenue is expected to be on par with the revenue generated in 2011/2012, as opposed to the previously predicted growth of 5-7%
- Same-store-sales (order intake) are still expected to be 3-5%
- Approx. 25-30 new stores will be opened -previous forecast: about 35 (net addition 0-5)
- EBIT margin is expected to remain on par with 2011/2012 (3.6%) as opposed to the previously predicted figure of 5%

Further information

For further information contact CEO Torben Paulin or CFO Hans Barslund, on tel. +45 70 13 13 66.

2012/2013 FINANCIAL HIGHLIGHTS FOR THE GROUP

	Q2 2012/13	Q2 2011/12	YTD 2012/13	YTD 2011/12	1 May 2011 30 April 2012
Income statement (millions of Danish Kroner)					
Revenue	278.1	287.0	524.8	506.0	1,022.2
Gross profit	118.5	123.0	230.5	216.0	451.6
Profit(loss) before interest and depreciation (EBITDA)	16.8	26.0	33.8	33.6	75.5
Profit(loss) before net financials (EBIT)	8.9	15.8	18.3	14.1	36.7
Financial items	(2.1)	0.6	(1.9)	2.3	2.8
Profit(loss) before tax	6.8	16.4	16.4	16.4	39.6
Profit after tax	5.3	11.8	11.8	11.8	25.6
Balance sheet details (in millions of Danish Kroner)					
Non-current assets			244.9	251.4	244.7
Current assets			306.7	296.9	296.9
Balance sheet total			551.6	548.4	541.6
Equity at the end of the reporting period			231.3	209.1	224.9
Interest-bearing debt			88.2	113.0	86.8
Cash flow (in millions of Danish Kroner)					
Cash flow from operating activity			21.1	16.1	53.1
Cash flow from investment activities			(15.2)	(12.5)	(21.2)
Of this amount, net investments in property, plant and equipment			(10.0)	(6.9)	(10.2)
Cash flow before financing activities			5.9	3.6	31.9
Financial ratios					
Operating margin, percentage	3.2	5.5	3.5	2.8	3.6
Return on net assets (for the period), percentage			3.4	2.7	7.0
Earnings per share before tax	2.4	5.7	5.7	5.7	11
Book value			81	73	79
Return on equity before tax, percentage			7.4	8.3	12.0
Equity ratio, percentage			41.9	38.1	41.5
Average number of full-time employees			574	577	579
Stock market ratios					
Dividend, DKK million			0.0	0.0	5.7
Market price			130.0	95	112
Share capital, DKK million			28.6	28.6	28.6
Price/book value			1.6	1.3	1.4
Price/earnings ratio			31.5	23.0	12.5

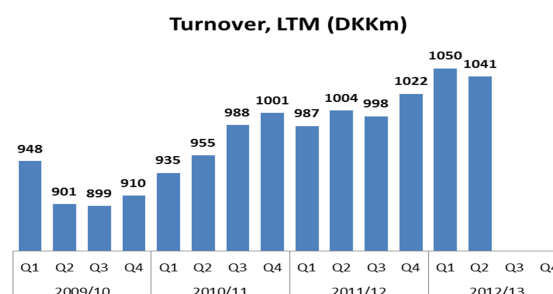
The interim financial statements, which have not been audited, cover the period from 1 May to 31 October 2012. The accounting policies applied in these interim financial statements are the same as those applied in the 2011/2012 annual report.

MARKET TRENDS

Market volatility affects revenue

BoConcept Holding generated revenue of DKK 278.1 million in the second quarter of 2012/2013, compared with DKK 287.0 million in the same period last year. The 3.1% decline is primarily attributable to the lower level of activity in brand stores in Europe, where economic instability and insecurity had an adverse impact on the retail trade as well as change of franchisee in the UAE.

Revenue trends	millions of DKK
Actual 2011/2012, year to date	506.0
Foreign currency effect	22.3
Net change, brand stores	(10.3)
Net change, studios	6.8
Actual 2012/2013, year to date	524.8



Since the beginning of the financial year, BoConcept has increased its total revenues by 3.7% to reach DKK 524.8 million. The increase is attributable to rising USD and JPY rates, and the tougher market conditions contributed to a 2.1% drop in the revenue generated by brand stores. Studio revenues rose by 6.8 million, helped along by the opening of seven new BoConcept studios in Norway.

Uncertainty leads to lower global demand

Global markets are affected by the growing crisis in Europe and uncertainty as to whether American politicians will agree on a solution to the considerable fiscal challenges faced by the USA. The situation has grown worse since the summer, giving rise to more uncertainty and a further reduction in public and private spending in many parts of the world. As a result, the IMF announced a downward adjustment in its global growth prognosis for 2012 but predicts that proactive political measures will kickstart growth in 2013.

Revenue by region (DKK million)	2012/13 Q2	2011/12 Q2	Index	2012/13 YTD	2011/12 YTD	Index
Europe	177.3	185.1	95.8	326.2	329.5	99.0
France	46.4	48.7	95.3	77.8	82.4	94.4
Germany	30.5	30.5	100.0	56.0	53.8	104.1
Middle East+Africa	6.0	11.1	54.1	13.1	15.8	82.9
North America	36.8	33.3	110.5	69.4	60.1	115.5
USA	32.6	28.4	114.8	61.9	52.4	118.1
Latin America	10.9	11.3	96.5	23.6	20.1	117.4
Asia	47.1	46.2	101.9	92.6	80.5	115.0
Japan	31.7	30.3	104.6	63.4	55.5	114.2
Total	278.1	287.0	96.9	524.9	506.0	103.7

Developments have had a negative impact on BoConcept's sales prospects for the second quarter of 2012/2013. This was especially the case in France, BoConcept's largest single market, where revenue was down by 4.7% in the most recent quarter due to the growing uncertainty about structural economic and financial conditions, which in turn resulted in lower traffic to our stores. In the German market, the level of activity was maintained, with same-store-sales even showing a moderate increase. However, German consumers are generally more cautious than before, and, due to banks' reluctance to provide financing, expanding the number of stores still presents a challenge.

Thanks to its massive branding and promotional effort, BoConcept managed to maintain moderate growth in the same-store-sales in the Scandinavian countries and the United Kingdom. BoConcept launched its multi-channel e-commerce solution in Denmark in 2012, which generated approximately 3% of total Danish revenues in the first six months of 2012/2013. Our e-commerce platform was also rolled out in the UK in the second quarter of 2012/2013, and more markets will follow in 2013.

In Southern Europe, market conditions grew worse in the second quarter of 2012/2013. This resulted in yet another quarter with a decline in same-store-sales and closure of stores. We do not expect this trend to change during the current financial year, for which reason further adjustments and restructuring measures will be necessary.

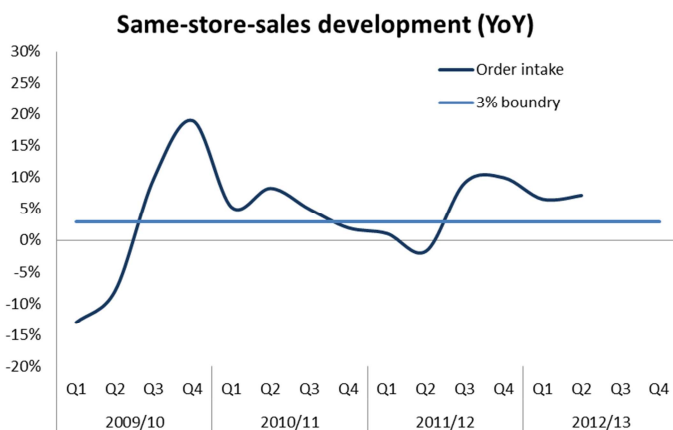
In the USA, BoConcept is experiencing dramatic progress, generating two-digit growth rates in revenue primarily driven by new franchisees taking over existing stores. This, combined with a greater propensity to spend than is seen in Europe, is driving store traffic up – and also creates a significant increase in same-store-sales.

Of the Asian countries, Japan, one of the major contributors to the group's profit, continues to enjoy sound growth in same-store-sales and revenue. In the other markets in the region, interest in the brand is very high, even though the slowed demand from Western markets also affects this region. The same applies in Latin America, where overall growth was modest in the first half of 2012/2013, but revenue stagnated in the second quarter of 2012/2013.

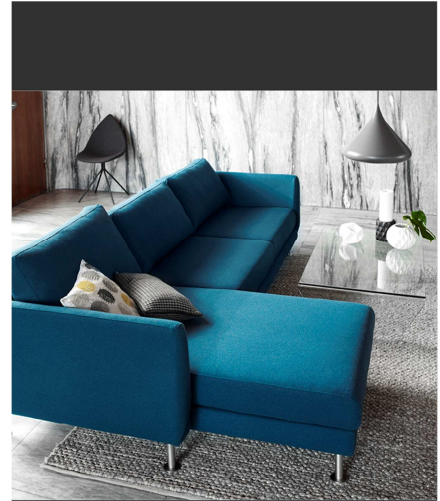
Revenues in the Middle East were affected by the closure of two stores in connection with a franchisee change in the second quarter of 2012/2013. We are in the process of opening two new stores to re-establish our presence.

Favourable reception of anniversary collection strengthens same-store-sales

While total revenues declined in the second quarter of 2012/2013, same-store-sales went up by 7.2%, which must be considered highly satisfactory under the prevailing market conditions. Total same-store-sales rose by 6.9% in the first half of 2012/2013.



The progress experienced in same-store-sales was primarily driven by a global marketing effort, both in print and online, in connection with the September launch of our collection. The effect of the campaign was greatest and created the most traffic in the USA, Germany, Japan and Scandinavia; in France and Southern Europe it helped set a new agenda and slow the decline in traffic.



100% BoConcept

BoConcept's 2013 collection and its launch is a brilliant exemplification of what its brand stands for: a dynamic collection with high-level design content and unmistakable Danish roots. Furniture that lives up to today's demand for functionality, internal coordination and high quality and a passionate, lively, unique and powerful story that inspires and touches current and new customers in the world's big cities without losing anything in translation, - be it in New York, London, Tokyo or Shanghai.

This year's collection is clearly inspired by the distinctive international retro design trends characterised by natural materials and clear references to the design icons of the 50s. 25% of the collection is new products, with the largest share of new products to be found at the high end of the segment in support of BoConcept's 'affordable luxury' niche. The new products have been quite well received, e.g. Fargo, BoConcept's new sofa line, with countless individual design options, is already the collection's best selling sofa just two months after its launch. Our new accessories collection has also been met with open arms by customers.

BoConcept intends to launch a small collection update in the spring of 2013, which, as in previous years, will include new items in selected product groups to help keep media and customer attention focused on BoConcept between the main annual releases. As in previous years, BoConcept has once again teamed up with a powerful global partner to collaborate on the collection, which is predicted to attract a great deal of international interest.

The scope of the campaign activities accompanying the launch of the 2013 collection surpassed that of any of the company's previous marketing efforts. Firstly, the communications platform was expanded to support the unique narrative of BoConcept's history; secondly, the number of initiatives making up the campaign was increased. We have not increased prices in the 2013 collection compared with the past few years, but instead introduced more new products at the high end of the range. The new products, and especially the upholstery range, were favourably received by our customers.

To counter deteriorating sales conditions, create traffic and protect earnings in its chain of stores, BoConcept will strengthen its branding efforts considerably in three areas in the remainder of the 2012/2013 financial year. Firstly, the marketing initiatives that BoConcept co-financed in Germany proved successful, and we are currently evaluating whether or not this model could also be applied in improving sales conditions in other key markets. Secondly, BoConcept will intensify its marketing efforts when launching the company's 2013 spring collection, which will introduce new products on par with last year's successful introduction of Karim Rashid's Ottawa collection. Thirdly, we have decided to expand the scope of our campaigns, for example by offering selected items and discontinued products at attractive prices.

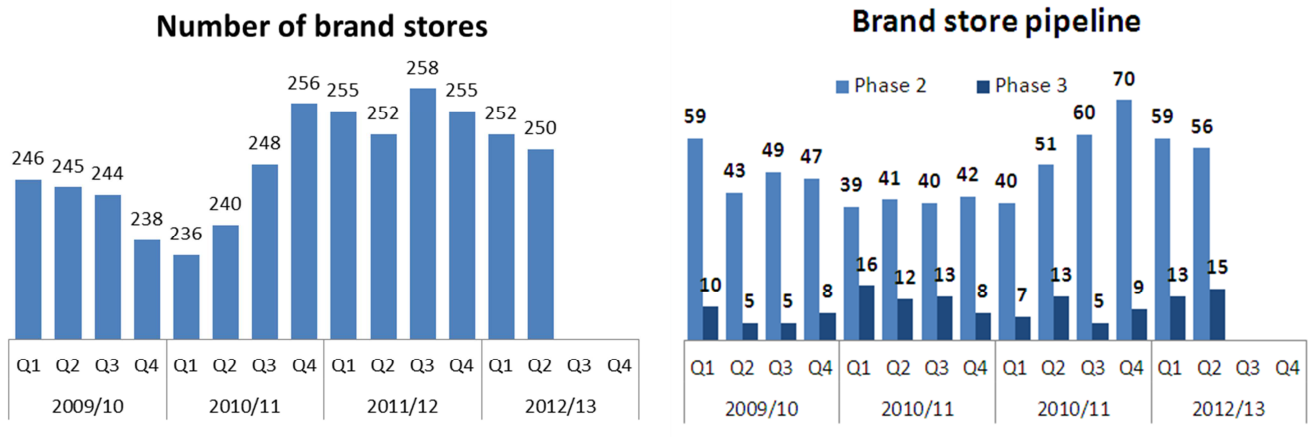
New store openings prevented by reluctance to grant loans

BoConcept's strategic focus will especially be on ensuring the expansion of its chain of stores over the next few years. Expansion is essential to the achievement of the company's long-term potential and meeting its financial targets.

Seven new brand stores opened in the second quarter of 2012/2013 in Germany, Australia and China, to name a few, and nine closed, eight of them in Europe. At the end of October, the entire chain consisted of 236 brand stores and 14 inspiration stores, plus a number of studios, which generate less than 7% of group revenue.

	YTD	YTD	31 Oct. 2012			Pipeline 31 Oct. 2012	
	Openings	Closures	Stores	Own stores	Studios	Phase 2	Phase 3
Europe	6	11	144	17	46	21	6
<i>France</i>		1	30			5	1
<i>Germany</i>	1		15			5	
<i>UK</i>		1	11	1	4	2	2
<i>Spain</i>	1	3	14	4	1		
<i>Denmark</i>	1	1	9	7			
<i>Sweden</i>		2	7	3	1	3	
<i>Norway</i>					14		
Middle East+Africa		2	9			4	5
North America		2	26	2		4	1
<i>USA</i>		2	23	2		4	
Latin America			18			4	1
Asia	4		53	4		23	2
<i>Japan</i>			19	4		1	
<i>China</i>	2		19			10	1
Total	10	15	250	23	46	56	15

In the second quarter of 2012/2013, BoConcept's market organisations applied more resources than usual in reaching potential franchisees. These efforts – which were focused on the key markets, Germany, the USA and new growth markets – help expand the pipeline to include a number of internal candidates. Despite these efforts, fewer store openings than budgeted were reported for the year to date. Comparing this with the size of the pipeline and the expected number of new franchisees leads us to conclude that we cannot achieve our original objective of opening 35 stores in the current financial year, but must instead reduce our estimate to 25-30.



In the face of the uncertainty in the European financial markets and the marked reluctance of banks to grant loans to potential franchisees, the management is considering the possibility of utilising BoConcept's financial strength as a means of accelerating the opening of new stores in key markets. One way of doing this could be by entering into partnerships with financially strong franchisees or by starting our own stores in selected strategic locations and then leaving potential franchisees in charge of the day-to-day operations after a brief period of time, once a certain business base and cash flow have been built up and stabilised.

PROFIT TRENDS

The improvement in gross profit and operating profit is primarily attributable to rising foreign exchange rates, but also to the fact that there are now fewer own stores. Higher marketing costs and non-recurring costs from closing the US warehouses as well as own stores had a negative effect on the operating profit in the first half of the financial year.

(DKK million)	First six months 2011/2012	Business model and optimisation	Fewer own stores	Currency	First six months 2012/2013
Revenue	506.0	4.3	(7.8)	22.3	524.8
Cost of sales	(290.0)	(0.2)	6.5	(10.6)	(294.3)
Gross profit/(loss)	216.0	4.1	(1.3)	11.7	230.5
Capacity costs	(201.9)	(5.8)	1.6	(6.1)	(212.2)
Operating profit/loss	14.1	(1.7)	0.3	5.6	18.3
as a % of revenue	2.8%				3.5%

Due to higher-than-expected provisions for bad debts and non-recurring costs, the group will be unable to deliver an EBIT margin of 25% as otherwise warranted by the business model.

Gross profit remains high

BoConcept's gross profit was 42.6% in the second quarter of 2012/2013, compared with 42.9% last year.

As is usually the case in the second quarter, gross profit was influenced by the distribution of catalogues with a limited earnings contribution. Compared with the second quarter of 2011/2012, gross profit fell slightly as a result of foreign exchange rate changes.

For the full first six months of 2012/2013, gross profit was 43.9% compared with 42.7% in the corresponding period last year. The increase for the year to date was mainly a result of the rising USD rate in the first quarter of 2012/2013 and the underlying improvement in operations in the same period, which increased gross profit by 0.4 percentage points each.

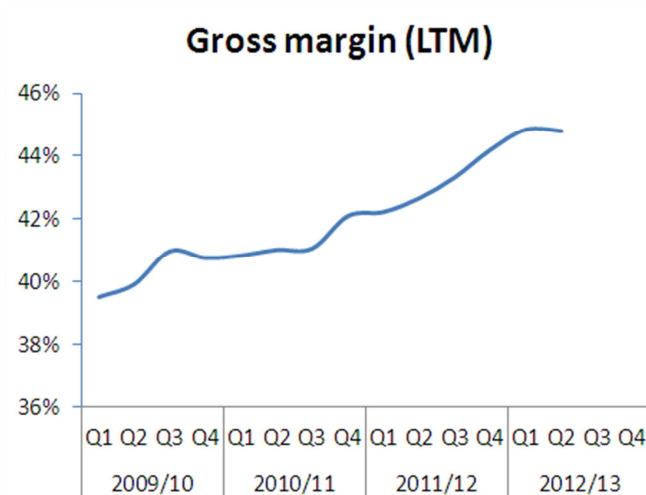
After the first six months of 2012/2013, the sourcing ratio remained 77% of revenue.

Massive marketing and non-recurring costs increase capacity costs

In the second quarter of 2012/2013, capacity costs totalled DKK 109.5 million, which is on par with last year and corresponds to 39.4% of revenue.

Capacity costs rose by 10.5 million to DKK 212.3 million in the first six months of 2012/2013, a rise attributable to higher foreign exchange rates and higher marketing costs.

In the second quarter of 2012/2013, distribution costs were comparable to last year's level and amounted to 31.6% of revenue; for the year to date, they rose by DKK 6.5 million to reach DKK 171.2 million. This figure includes provisions for bad debts, which totalled DKK 10.6 million in the first six months of 2012/2013, DKK 2.2 million more than the year-ago figure due to tougher market conditions.



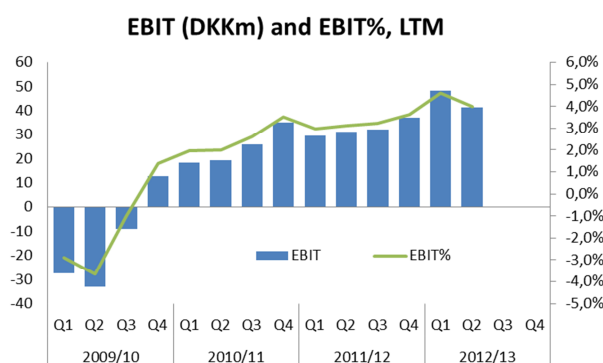
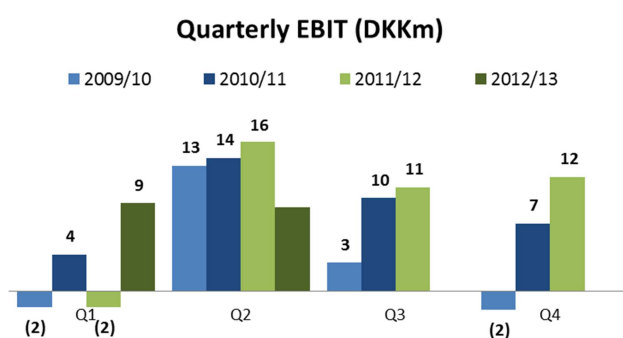
The group's administrative expenses fell marginally, from DKK 18.2 million to DKK 16.9 million in the second quarter of 2012/2013, and reached DKK 36.4 million for the first six months of the year, which is comparable to what was achieved in the same period last year.

In the second quarter of 2012/2013, BoConcept began moving and outsourcing its warehousing function in the USA, which today is handled by the group's American subsidiary. This outsourcing is a way to simplify and streamline the group's general distribution model, while at the same time making it more cost-effective; it also allows our American organisation to focus solely on servicing and supporting the stores in North and Latin America. The cost of altering our US national organisation and the non-recurring costs of closing two own stores in Aalborg (Denmark) and Stockholm (Sweden) are recognised under 'Other operating expenses', which totalled DKK 3.9 million in the second quarter of 2012/2013.

Foreign exchange improves EBIT

The operating profit (EBIT) for the second quarter of 2012/2013 was DKK 8.9 million, versus DKK 15.8 million in 2011/2012. The operating margin was therefore 3.2% compared with 5.5%.

EBIT was DKK 18.3 million for the first six months of 2012/2013, corresponding to 3.5% of revenue, up by DKK 4.2 million on last year. Seen in isolation, the overall effect of the changed foreign exchange rates over the first six months of the year is a slightly lower EBIT than same period last year.



Net financials for the first six months of 2012/2013 were negative in the amount of DKK 1.9 million compared with a positive figure of DKK 2.3 million last year, due to exchange rate effects on the balance sheet total.

BoConcept's pre-tax profit for the first six months of the 2012/2013 financial year thus amounted to DKK 16.4 million, which is the same as last year. The management considers the result acceptable against the backdrop of current market conditions.

BALANCE SHEET TOTAL

BoConcept's total assets stood at DKK 551.6 million at 31 October 2012, which is on par with last year and DKK 10.0 million more than at the beginning of the financial year.

Normalisation of working capital after launch of 2013 collection

The net working capital totalled DKK 105.4 million at 31 October 2012 compared with DKK 103.8 million last year at the same time, corresponding to 10.1% and 10.3% respectively of the revenue of the past twelve months.

Inventories are marginally higher than last year: they increased by DKK 3.3 million to DKK 131.3 million. They are now back to normal following the launch of the 2013 collection, which BoConcept had prepared for by buying in large quantities of accessories to improve delivery times.

Receivables stood at DKK 135.9 million, which is in line with last year's figure, and debtor days were 47 in the first six months of 2012/2013 compared with 44 days last year and 45 days for the full 2011/2012 financial year.

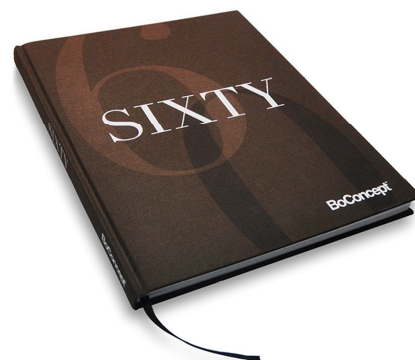
Trade payables were DKK 87.3 million after the first six months of the financial year, up slightly on the beginning of the financial year and down by DKK 12.7 million on last year.

Financial strength in proactive support of growth plan

BoConcept's equity totalled DKK 231.3 million after the payment of dividend of DKK 5.7 million for the 2011/2012 financial year at the end of October 2012, corresponding to an equity interest of 41.9%.

The group's interest-bearing debt was reduced by DKK 24.8 million on last year and stood at DKK 88.2 million at the balance sheet date. This amount breaks down into DKK 50.7 million in long-term liabilities and DKK 37.5 million in short-term liabilities respectively.

The group had DKK 18.3 million in cash at the balance sheet date and unused credit facilities totalling DKK 87.0 million. The management deems the group's financial resources to be adequate and regularly considers specific measures to proactively support the group's strategic growth targets.



Partying from Canada in the west to China in the east

When BoConcept held its sixtieth anniversary in October 2012, it was a grand celebration of BoConcept's journey from local joiners' shop to global brand and retailer.

The anniversary was a tribute to a history in which passion, functionality and quality was and is the very essence of the company's DNA. The group's history is also a tribute to the proud Danish design traditions that BoConcept chose to highlight by collaborating with internationally acclaimed Danish textile designer Vibeke Klint on developing a series of exclusive anniversary fabrics for the upholstery line in BoConcept's 2013 collection.

The launch of the 2013 collection kicked off the worldwide celebration of the anniversary. Everywhere in BoConcept's key markets the anniversary was the centre of attention at 50s theme parties and in large-scale PR and marketing campaigns that provided a great stage for retelling the story of BoConcept's unique history and value proposition 'Urban Danish Design since 1952', to both customers and the media.

The origins of BoConcept and the enormous changes the company has undergone are described in an anniversary book entitled 'Sixty', which tells the story of BoConcept, and its values, design philosophy and icons as well as its management's objectives and focus for the future. The book will be presented to customers in BoConcept brand stores the world over.

CASH FLOW

Cash inflow

Cash flow from operating activities for the first six months of 2012/2013 was DKK 21.1 million, versus DKK 16.1 million at the same time last year. The development is mainly attributable to higher revenue and a positive change in working capital, while financial income declined.

After net investments of DKK 15.2 million cash flow before repayments of long-term debt amounted to DKK 5.9 million, corresponding to 1.1% of revenue versus DKK 3.6 million and 0.7% of revenue last year.

EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Neither the supervisory board nor the executive board is aware of any events after 31 October 2012 which will materially influence the financial position of the group.

FORECAST FOR 2012/2013

Continued crisis and lower global growth affect prospects

The first six months of BoConcept's 2012/2013 financial year were affected by very tough market conditions and growing uncertainty that made sales conditions for durable consumer goods even more challenging than before, also in markets and regions that were previously unaffected.

Our massive global marketing effort has created traffic, but stores are under increasing pressure with respect to sales. For this reason, BoConcept will be launching new marketing initiatives to help increase store traffic and ensure franchise chain earnings. In addition, the group will look at the possibility of playing a more active role in the start-up financing of stores in selected markets to help accelerate the expansion in store numbers. These initiatives are expected to have a positive effect on revenue towards the end of the current financial year, and their full effect expected from 2013/2014.

However, based on the results of the first six months of the year, the management has to acknowledge the fact that it is impossible to achieve the original targets. As a result, the group is making a downward adjustment to its predicted revenue, number of new stores, and profit for the 2012/2013 financial year, whereas our predictions with regard to same-store-sales, cash flow and investment level remain unchanged.

We should like to stress that the number of new stores will be largest in the second half of the financial year. Our forecast is based on current exchange rates and market conditions.

Forecast for the 2012/2013 financial year

	Updated forecast 2012/2013	Previous forecast 2012/2013	Actual 2011/2012
Revenue	At 2011/2012 level	Growth at 5-7%	2% (DKK'M 1,022)
Same-store-sales (order intake)	3-5%	3-5%	5.0%
Change, brand stores	25-30 openings (net addition: 0-5)	Approx. 35 openings (net addition: 10)	23 openings (net addition: -1)
EBIT margin	At 2011/2012 level	Approx. 5%	3.6%
Cash flow as a % of revenue	2%	2%	3.1%
Investments	DKK 30 million	DKK 30 million	DKK 26 million

INVESTOR INFORMATION

Stock exchange announcements from 1 May to 31 October 2012

07.05.2012

Management change in BoConcept Holding A/S

22.06.2012

Announcement of 2011/2012 financial results

06.08.2012

Notice of general meeting in BoConcept Holding A/S in BoConcept Holding A/S

29.08.2012

Quarterly review, first quarter of 2012/2013

29.08.2012

Revised articles of association

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

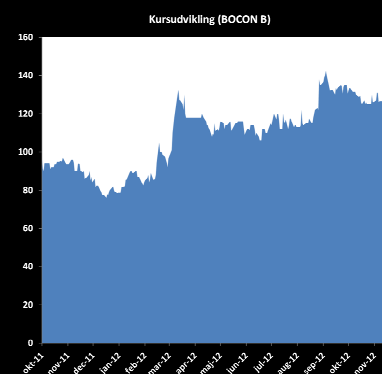
Basket size:

The size of the individual order

Pipeline:

Phase 2 = Potential openings by approved franchisees.

Phase 3 = Stores for which contracts to open have been signed



Financial calendar

6/3/2013 Announcement of financial results for Q3, 2012/2013

Investor contact

Hans Barslund, CFO

telephone: (+45) 7013 1366

Further information

For additional information on BoConcept and subscription to investor news please 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 expectations to e.g. 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 thus the management's expectations with respect to future financial trends may 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 October 2012.

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, 5 December 2012

Executive board

Torben Paulin
CEO

Hans Barslund
CFO

Troels Dyrup Petersen
COO

Supervisory board

Viggo Mølholm
Chairman

Ebbe Pelle Jacobsen
Deputy Chairman

Rolf Eriksen

Morten Windfeldt Jensen

Poul Brændgaard

Joan Bjørnholdt Nielsen

CONSOLIDATED INCOME STATEMENT

	01.08. - 31.10. 2012/2013 DKK '000	01.08. - 31.10. 2011/2012 DKK '000	01.05. - 31.10. 2012/2013 DKK '000	1.5. - 31.10. 2011/2012 DKK '000
Revenue	278.055	286.971	524.825	505.963
Production costs	-159.601	-163.992	-294.303	-290.002
Gross profit	118.454	122.979	230.522	215.961
Distribution costs	-87.964	-88.165	-171.185	-164.635
Administrative expenses	-16.934	-18.163	-36.443	-36.347
Other operating income	84	0	84	0
Other operating expenses	-4.710	-859	-4.710	-859
Operating profit/loss	8.930	15.792	18.268	14.120
Financial income	892	1.747	1.916	4.552
Financial expenses	-3.009	-1.171	-3.793	-2.243
Operating profit/loss before tax	6.813	16.368	16.391	16.429
Tax on profit/loss for the year	-1.496	-4.583	-4.580	-4.600
Profit/loss for the period	5.317	11.785	11.811	11.829
Earnings per share				
Earnings per share	1,88	4,15	5,78	4,16
Earnings per diluted share	1,87	4,16	5,76	4,18
Consolidated total income				
Profit/loss for the period	5.317	11.785	11.811	11.829
Revaluation of hedging instruments	-793	0	-793	0
Foreign currency translation, foreign units	-3.896	155	846	2.352
	628	11.940	11.864	14.181
Broken down as follows:				
BoConcept Holding A/S shareholders	628	11.940	11.864	14.181

Consolidated balance sheet

	31.10.12 DKK '000	31.10.11 DKK '000	30.04.12 DKK '000
ASSETS			
Goodwill	8.250	10.015	8.204
Master rights	34.507	32.280	34.505
Software	18.766	11.001	18.839
Intangible assets in progress	594	5.868	1.855
Total intangible assets	62.117	59.164	63.403
Land and buildings	73.976	79.987	77.139
Leasehold improvements	13.310	10.836	9.364
Plant and machinery	18.598	25.273	21.525
Fixtures and operating equipment	9.374	10.602	10.023
Property, plant and equipment in progress	2.413	2.541	2.322
Total property, plant and equipment	117.671	129.239	120.373
Deferred tax	34.533	34.183	33.899
Other financial assets	12.773	6.834	8.158
Deposits	17.778	22.021	18.866
Total other non-current assets	65.084	63.038	60.923
Total non-current assets	244.872	251.441	244.699
Inventories	131.295	127.955	124.098
Trade receivables	135.905	140.502	135.533
Other receivables	21.223	15.531	21.867
Cash	18.264	12.925	15.385
Total current assets	306.687	296.913	296.883
TOTAL ASSETS	551.559	548.354	541.582

	31.10.12 DKK '000	31.10.11 DKK '000	30.04.12 DKK '000
LIABILITIES AND EQUITY			
Share capital	28.621	28.621	28.621
Translation reserve	1.716	-2.148	870
Hedging reserve	-793	0	0
Retained earnings	201.738	182.584	189.657
Dividend proposed	0	0	5.724
Total equity	231.282	209.057	224.872
Deferred tax	46.580	46.024	46.613
Employee debentures	2.674	2.674	2.674
Mortgage credit institutions and banks	47.993	56.964	52.093
Total non-current liabilities	97.247	105.662	101.380
Mortgage credit institutions and banks	37.499	53.401	32.076
Trade payables	87.272	100.036	84.977
Prepayment from customers	22.907	20.565	22.155
Income tax payable	14.693	4.660	11.014
Other payables	60.659	54.973	65.108
Total current liabilities	223.030	233.635	215.330
Total liabilities	320.277	339.297	316.710
TOTAL LIABILITIES AND EQUITY	551.559	548.354	541.582

Consolidated cash flow statement

	1.5. - 31.10. 2012/2013 DKK '000	1.5. - 31.07. 2011/2012 DKK '000
Revenue and other operating income	524.909	505.963
Operating expenses	-506.641	-491.843
Depreciation and amortisation	15.510	19.499
Change in net working capital	-9.302	-18.465
Cash flow from operating activities before financial items	24.476	15.154
Interest income etc.	1.916	4.552
Interest paid	-4.896	-3.109
Income tax paid	-404	-525
Cash flow from operating activities	21.092	16.072
Acquisition of intangible assets	-3.516	-4.795
Sale of intangible assets	0	0
Acquisition of property, plant and equipment	-9.968	-6.866
Sale of property, plant and equipment	68	45
Acquisition of financial assets	-3.596	-93
Sale of financial assets	1.826	262
Acquisition of companies	0	-1.074
Sale of companies	0	0
Cash flow for investing activities	-15.186	-12.521
Cash flow before financing activities	5.906	3.551
Instalments on long-term debt	-4.100	-5.887
Incurring of long-term debt	0	0
Shareholders:		
Capital increase	0	0
Sale of treasury shares	216	0
Acquisition of treasury shares	0	0
Dividend paid	-5.670	-5.661
Cash flow from financing activities	-9.554	-11.548
Cash inflow/outflow for the year	-3.648	-7.997
Cash and cash equivalents less short-term bank debt, beg. of year	-9.133	-23.505
Revaluation of cash and cash equivalents	1.103	866
Cash and cash equivalents at year-end	-11.678	-30.636
The amount may be broken down as follows:		
Cash without restrictions	18.264	12.925
Short-term debt to credit institutions	-29.942	-43.561
	-11.678	-30.636

Consolidated equity movements

	Share capital	Translation reserve	Hedging reserve	Retained earnings	Dividend proposed	Total
Equity at 1 May 2011	28.621	-4.500	0	169.812	5.724	199.657
Acquisition of treasury shares				0		0
Sale of treasury shares				0		0
Distributed dividend				0	-5.724	-5.724
Dividend proposed					0	0
Dividend treasury shares				63	0	63
Costs of share options				880		880
Total earnings and costs for the period		2.352		11.829		14.181
Equity at 31 October 2011	<u>28.621</u>	<u>-2.148</u>	<u>0</u>	<u>182.584</u>	<u>0</u>	<u>209.057</u>
Equity at 1 May 2012	28.621	870	0	189.657	5.724	224.872
Acquisition of treasury shares				0		0
Sale of treasury shares				216		216
Distributed dividend				0	-5.724	-5.724
Dividend proposed				0	0	0
Dividend treasury shares				54		54
Costs of share options				0		0
Total earnings and costs for the period		846	-793	11.811		11.864
Equity at 31 October 2012	<u>28.621</u>	<u>1.716</u>	<u>-793</u>	<u>201.738</u>	<u>0</u>	<u>231.282</u>

NOTES AT 31 OCTOBER 2012

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 2011/2012, to which reference is made.

The annual report for 2011/2012 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 36 in the annual report for 2011/2012.

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 2012.

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. Share-based payment

In 2005 the BoConcept group established a share option programme for the executive board and other executive members of staff. The annual report for 2008/2009 contains a description of the programme.

In August 2010 the BoConcept group established a warrants programme for the executive and supervisory boards as well as other executive members of staff. The annual report for 2011/2012 contains a detailed description of the warrants programme.

5. Tax on profit for the year

The group's effective tax rate for the reporting period in 2012 is 28% - the same as for the same reporting period in 2011.

The effective tax rate of 28% comprises tax on profit for the period of 25% and non-deductible costs and additional tax abroad as a result of international joint taxation of 3%.

6. Related parties

BoConcept's related parties have changed compared to the disclosures of the annual report for 2011/2012.

Viggo Mølholm has resigned as CEO and was elected as chairman of the board at the annual general meeting in August 2012.

Torben Paulin is appointed as new CEO, and Troels Dyrup Petersen is appointed as COO. Hans Barslund continues as CFO.

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.