



Company announcement from BoConcept Holding A/S

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Herning, 5 March 2008
hb/lb

Announcement of financial results of BoConcept Holding A/S for the first three quarters of 2007/2008

On 5 March 2008 the supervisory board of BoConcept Holding A/S adopted the financial statements for the first three quarters of the financial year 2007/2008, which cover the period from 1 May 2007 to 31 January 2008.

Year to date:

- The year-to-date revenue has risen by 10.6 per cent (by unchanged exchange rates 13.4 per cent) compared to the same period last year. Of this figure, same-store sales growth amounted to 2 per cent
- Profit before tax was DKK 52.5 million compared to DKK 45.5 million last year.
- The year-to-date operating margin was 7.3 per cent compared to 6.5 per cent during the same time last year
- Since the beginning of the financial year there has been an addition of 28 new BoConcept Brand Stores and two have been closed. There has been a net addition of 26 BoConcept Brand Stores
- At 31 January 2008 the balance sheet total was DKK 547.7 million, down DKK 29.8 million compared to the corresponding period of last year.
- A positive cash flow of DKK 13.3 million before instalments on long-term liabilities other than provisions

Third quarter:

- The revenue in third quarter has declined by 5.6 per cent compared to same period last year.
- For the third quarter of 2007/2008 profit before tax declined by DKK 7 million compared to last year to DKK 10.5 million
- The decline in revenue and operating margin is primarily attributable to the general financial situation which has resulted in financial unrest, a decline in the housing market and lower consumer confidence which in turn has had a negative effect on furniture sales
- We estimate that BoConcept has won market shares in third quarter

Full year forecast:

- As a result of the market situation, we make a downward adjustment of the forecast for the financial year 2007/2008 before extraordinary costs for employee shares and any proceeds from the sale of properties to a pre-tax profit of between DKK 70 and 75 million and a revenue increase of 8 to 10 per cent
- We now make a downward adjustment of the planned investments in the region of DKK 40 to 45 million to a positive cash flow before repayment of long-term debt to at least DKK 25 million

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

BoConcept is the retail-oriented concept holder of the global franchise chain and the global brand of BoConcept. The chain represents the best co-ordinated designer furniture and accessories in the industry. 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 square metres in attractive locations while Studios are in-store departments with floorages of between 100 and 400 square metres located in existing furniture stores. As per 31 January 2008 there were 219 Brand Stores and 138 Studios in 45 markets worldwide.

The group's financial highlights 2007/2008

	Third quarter 2007/08	Third quarter 2006/07	Year-to- date 2007/08	Year-to- date 2006/07	Per 30.04 2007
Income statement (DKK million)					
Revenue	266,1	281,8	859,8	777,6	1046,6
Gross profit	107,6	117,6	343,3	318,6	425,0
Profit before net financials	13,5	20,0	63,0	50,6	69,4
Net financials	-3,0	-2,5	-10,5	-5,1	-7,7
Profit before tax	10,5	17,5	52,5	45,6	61,7
Balance sheet (DKK million)					
Non-current assets			234,5	253,3	230,1
Current assets			313,2	324,2	316,7
Balance sheet total			547,7	577,5	546,9
Equity, year-end			181,7	137,5	148,5
Interest-bearing debt			180,5	252,5	194,0
Cash flow (DKK million)					
Cash flow before instalments on long-term liabilities other than provisions			13,3	-31,0	25,7
Financial ratios					
Operating margin, %	5,1	7,1	7,3	6,5	6,6
Return on net assets (for the period), %			11,5	9,4	13,3
Earnings per share before tax	3,7	6,7	18,5	17,5	16,0
Book value per share			64	53	57
Return on equity before tax			31,8	37,1	33,0
Equity share			33,2	23,8	27,2

Statement of equity movements:

(DKK million)

Equity as per 30 April 2007	148,5
Profit before tax for the reporting period	52,5
Calculated tax	-15,3
Paid dividend	-5,0
Employee shares, net	4,6
Value adjustment of hedging instruments	-3,6
Equity as per 31 January 2008	181,7

The accounting policies applied are the same as those applied in the annual report for 2006/2007. The comparative figures for last year have been adjusted according to the same policies.

Management's statement

The Supervisory and Executive Boards have today discussed and approved the interim financial report of BoConcept Holding A/S for the period 1 May 2007 to 31 January 2008.

The interim financial report is presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and in accordance with additional Danish disclosure requirements for interim financial reports of listed companies. The interim financial report has neither been audited nor reviewed.

We consider the accounting policies appropriate and the accounting estimates reasonable. Furthermore, in our opinion, the overall interim financial report presentation gives a true and fair view. In our opinion, the interim financial report gives a true and fair view of the Group's financial position as well as of the results of the Group's activities and cash flows for the period.

Herning, 5 March 2008

Executive Board

Viggo Mølholm

Hans Barslund

Supervisory board

Svend Sigaard
Chairman

Ebbe Pelle Jacobsen

Christian Majgaard

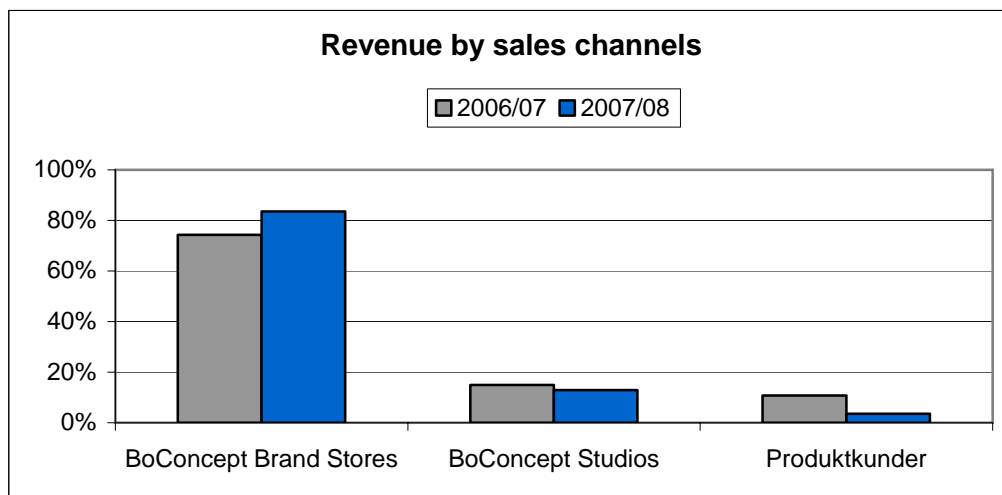
Birgit Lørup

Jette Håhr Nielsen

Revenue growth in the face of decline in certain markets

BoConcept produced revenue of DKK 859.8 million in the first nine months of the financial year 2007/2008 compared to DKK 777.6 million during the same period last year. The growth of 10.6 per cent is primarily due to a 2 per cent increase in same-store-sales compared to 2006/2007 as well as the effect of the opening of new BoConcept Brand Stores. Had exchange rates remained unchanged from the corresponding period of last year, growth would have been 13.4 per cent.

Sales to BoConcept Brand Stores rose by 25 per cent compared to last year, and sales to BoConcept Studios declined by 7 per cent, while sales to product customers, as expected, declined by 62 per cent and now account for less than 3 per cent of BoConcept's total revenue. The graph below shows the year-to-date revenue trends by sales channels.



Indications of changed market conditions, which were already mentioned in the financial statements for the first six months of the year, continue and are worsening. This seriously curbed the order intake in nearly all the principal markets with the exception of France and China in November and December. As a result, same-store-sales are down by 8 per cent in the third quarter.

The macroeconomic situation, which has resulted in financial unrest, a decline in housing sales and lower consumer confidence, has had a negative impact on furniture sales in the third quarter. The number of consumers in the furniture market has declined dramatically, resulting in less traffic in our BoConcept Brand Stores. However, despite the decline in same-store-sales, we remain confident that we will not lose any market shares – on the contrary.

We have reacted to the declining order intake by adjusting the product range in the stores, so that we have fewer design icons and give higher priority to more commercial products. In addition, we have launched several activities with the intention of creating traffic in our stores. As a result, the order intake went up in January and February. We therefore expect same-store-sales for the fourth quarter on a par with the corresponding period last year. If we add store openings, revenue growth for the full year is expected to be between 8 and 10 per cent.

As was expected, gross profit has been reduced from 41.0 per cent to 39.9 per cent in the same period of this year. As previously stated, this is due to increasing prices on raw materials, energy and labour, and also due to the fact that BoConcept's sales prices have been fixed until the catalogue season in September 2007 where prices were raised by approximately 6 per cent. The price increase together with the effect of efficiency enhancements and outsourcing agreements implemented by BoConcept in the spring of 2007 are expected to improve the gross profit in the fourth quarter of 2007/2008.

As announced in stock exchange announcement no. 12/2007 of 7 November 2007, an issue of Class B shares conferring pre-emptive rights on employees in BoConcept A/S has been completed. 23,745 Class B shares of the nominal value of DKK 10.00 were subscribed for at the price of DKK 200. Of the authorised officers, 83.1 per cent have subscribed for employee shares, a percentage which the management considers very satisfactory. According to IAS2, the difference between the subscription price and the current price totalling DKK 8.4 million will be charged to the income statement in connection with the closing of the financial year. The subscription resulted in a positive cash flow of DKK 4.7 million.

The operating margin (EBIT) has been improved from 6.5 per cent last year to 7.3 per cent this year, which is slightly lower than the forecast of realising an operating margin of approximately 8 per cent in the financial year.

Despite central control of the company's foreign exchange risks, the most important and volatile currencies of which are hedged by means of forward hedge contracts and option contracts, financial items were affected by the dramatic fall in the USD and the rate of GBP. We have thus recorded foreign exchange losses of DKK 6.0 million to date. Of this amount, DKK 3.6 million constitute amortisation on forward exchange contracts concluded at the current rate and DKK 2.4 million effect from the balance sheet. Conversely, there was a foreign exchange gain of DKK 2.9 million in 2006/2007. The foreign exchange loss in third quarter amounts solely to DKK 2.4 million.

Profit before tax was DKK 10.5 million in the third quarter of 2007/2008 compared to DKK 17.5 million last year.

The profit before tax has risen by just over DKK 6.9 million to date compared to last year and thus amounts to DKK 52.5 million this year. The increase is primarily attributable to the revenue growth.

Balance sheet and cash flow

At the end of the third quarter of 2007/2008 the BoConcept balance sheet total was DKK 547.7 million, which is an increase of DKK 0.8 million compared to the beginning of the financial year. This development covers an increase in inventory levels initiated to meet the increasing rate of activity in terms of service and delivery. During the first nine months of the financial year the company invested DKK 32.0 million in non-current assets and expansions, which coincides with the forecast expressed in the annual report 2006/2007.

Compared to the equivalent period of last year the balance sheet total has been reduced by DKK 29.8 million, which is due, among other things, to the closure of the upholstery factory in Hornslet, sale of property in Poland as well as the sale of one Brand Store in Glasgow and two in Berlin in the first quarter of 2007/2008.

The year-to-date shows a positive cash flow of DKK 13.3 million before instalments on long-term liabilities other than provisions against a negative cash flow of DKK 31.0 million in the same period last year.

At the end of the reporting period the equity amounted to DKK 181.7 million, representing an equity ratio of 33.2 per cent.

Sale of properties

On 28 January 2008 BoConcept Holding A/S announced (cf. stock exchange announcement no. 2/2008) that the company would be commencing negotiations concerning the sale of the company's two Danish properties, situated at Mørupvej 16, Herning, and Fabriksvej 4, Ølgod respectively in return for an operational lease back of these properties.

The properties have been put up for sale by an estate agent at the selling price of DKK 196 million. The carrying amount of the properties is approximately DKK 100 million. The sale of the properties is expected to be settled by the end of the financial year, on 30 April 2008.

Taking into account the company's future capital requirements, BoConcept Holding A/S expects to make an extraordinary dividend distribution to the company's shareholders when it has completed the sale of the properties.

Number of newly opened BoConcept Brand Stores support plans for growth

A total of 28 BoConcept Brand Stores have opened year-to-date, primarily in the company's principal markets in Germany, Spain, USA, Japan and Denmark. Two Brand Store have been closed in the period, resulting in a year-to-date net addition of 26 Brand Stores, which brings the total number of BoConcept Brand Stores to 219 as per 31 January 2008.

At the end of January there were 26 BoConcept Brand Stores in the project department of which 8-10 will be opening during the fourth quarter of the 2007/2008 financial year. The company's targeted net addition of total 30-40 Brand Stores in the 2007/2008 financial year is maintained.

At 31 January 2008 the number of BoConcept Studios amounted to 138 outlets – a net reduction of 10 compared to the beginning of the year. The net reduction is the result of closing down 21 outlets, primarily in Austria where the co-operation with a major furniture chain ceased at the beginning of the financial year. At present BoConcept is negotiating with potential franchisees in Austria and expects studio revenue to be converted to Brand Store revenue in the course of the next year.

Post-balance-sheet events

Apart from the events mentioned above, the supervisory board is aware of no events after 31 January 2008 which would materially influence the financial position of the group.

Forecast

The annual report 2006/2007 (cf. stock exchange announcement no. 7/2007) contained a forecast for the financial year 2007/2008 of a pre-tax profit of between DKK 85 and 95 million with a revenue increase of 15 to 20 per cent compared to the 2006/2007 level, an improvement in the operating margin of approximately 8 per cent and a positive cash flow of at least DKK 35 million before repayment on long-term liabilities. The result realised in the third quarter of 2007/2008 calls for a review of this forecast.

The macroeconomic situation with financial unrest, decline in housing sales and lower consumer confidence has had an adverse effect on furniture sales in certain markets. The activities launched are expected to retain same-store-sales for the fourth quarter on a par with the corresponding period last year. The effect of store openings with an expected net increase of 30 to 35 new BoConcept Brand Stores in 2007/2008 should also be taken into account. Sales to BoConcept Studios are expected to decline, and as in previous years, the sale to product customers is expected to decline dramatically.

For the full year revenue growth is expected to be reduced to between 8 to 10 per cent.

As a result of the reduced revenue growth, operating margin expectations have been reduced to approximately 7.5 per cent to 8 per cent.

The forecast for the financial year 2007/2008 is therefore a pre-tax profit of between DKK 70 and 75 million.

In the year ahead there are plans to make investments in non-current assets amounting to DKK 40-45 million, and this is considerably more than the approximately DKK 30 million invested last year. Due to the decline in earnings, the overall target for the full year of a positive cash flow will be adjusted downwards to at least DKK 25 million before the repayment of long-term debt.

The full-year forecast excludes the effect of employee shares and proceeds from the sale of properties, if any. In the course of the subscription for Class B shares with pre-emptive rights for employees in BoConcept A/S, 23,745 Class B shares were subscribed for at the nominal value of DKK 10 and at the price of 200 per share. In accordance with IAS2, the difference between the subscription price and the current price of DKK 8.4 million in total will be charged to the income statement in connection with the closing of the financial year.

Long-term objectives:

In its annual report for 2006/2007 BoConcept outlined the company's long-term growth and earnings forecast. The goal of realising considerable growth is still intact. The macroeconomic situation may affect the timing, but not the direction. In its annual report for 2007/2008, which is due to be published on 30 June 2008, BoConcept will provide a more in-depth account of this subject.

Finance calendar 2007/08

30.06.08	Announcement of the annual accounts for 2007/08
28.07.08	Quarterly report 2008/09 (Q1)
27.11.08	Interim announcement for 2008/09
03.03.09	Quarterly report for 2008/09 (Q3)

Overview of stock exchange announcements issued between 1 May 2007 and 31 January 2008

01.06.07	Allocation of shares
28.06.07	Preliminary announcement of financial statements
05.07.07	Insider trades
28.08.07	Change in financial calendar
28.08.07	Quarterly Review, first quarter
28.08.07	Business conducted at annual general meeting
07.11.07	Subscription of class B shares conferring a pre-emptive right on employees
28.11.07	Quarterly Review, second quarter
03.12.07	Amendment to the Articles of association
03.01.08	Share distribution
28.01.08	Property sale
07.02.08	Finance calendar

Encl: Income statement
Balance sheet
Cash flow

BoConcept Holding A/S

Encl.

Consolidated income statement 1 May 2007 - 31 January 2008

	Q3		Year to date	
	2007/08 DKK'000	2006/07 DKK'000	2007/08 DKK'000	2006/07 DKK'000
Revenue	266.070	281.827	859.781	777.578
Production costs	-158.460	-164.191	-516.450	-458.970
Gross profit	107.610	117.636	343.331	318.608
Sales and distribution costs	-81.424	-80.227	-230.851	-219.811
Administrative expenses	-13.620	-17.361	-50.406	-46.312
Other operating income	952	0	952	78
Other operating expenses	0	0	0	-2.000
Profit/loss from operating activities	13.518	20.048	63.026	50.563
Financial income	648	672	1.760	4.024
Financial expenses	-3.701	-3.200	-12.268	-9.037
Profit/loss before tax	10.465	17.520	52.518	45.550
Tax on profit for the period	-2.904	-3.651	-15.319	-12.752
Profit for the period	7.561	13.869	37.199	32.798

BoConcept Holding A/S

Encl.

Consolidated income statement 1 May 2007 - 31 January 2008

	31 January 2008 DKK'000	31 January 2007 DKK'000	30-apr 2007 DKK'000
ASSETS			
Goodwill	12.886	17.673	14.500
Master rights	7.983	7.983	7.983
Software	3.389	1.230	1.178
Total intangible assets	24.258	26.886	23.661
Land and buildings	85.475	102.388	88.042
Leasehold improvements	15.177	14.193	15.872
Plant and machinery	44.520	50.578	47.882
Fixture and fittings, other plant and equipment	9.421	10.851	8.153
Property, plant and equipment in progress	20.334	14.566	8.860
Total property, plant and equipment	174.927	192.576	168.809
Deferred tax	21.628	21.407	23.455
Securities	992	992	992
Deposits	10.894	11.226	10.106
Other loans	1.834	210	3.114
Total other non-current assets	35.348	33.835	37.667
Total non-current assets	234.533	253.297	230.137
Inventories	153.139	152.130	138.588
Receivables	142.198	132.084	132.667
Other receivables	6.762	31.383	35.549
Cash	11.071	8.632	9.928
Total current assets	313.170	324.229	316.732
TOTAL ASSETS	547.703	577.526	546.869

BoConcept Holding A/S

Encl.

	31 January 2008 DKK'000	31 January 2007 DKK'000	30 April 2007 DKK'000
LIABILITIES			
Share capital	28.375	26.000	26.000
Reserve for hedging transactions	0	-957	2.158
Translation reserve	-6.749	-2.057	-3.948
Retained earnings	160.072	114.408	119.057
Dividend proposed	0	0	5.200
Equity attributable to shareholders of BoConcept Holding A/S	181.698	137.394	148.467
Minority interests	0	128	69
Total equity	181.698	137.522	148.536
Deferred tax	28.256	27.250	30.336
Mortgage credit institutions and banks	83.649	111.121	95.887
Total non-current liabilities	111.905	138.371	126.223
Mortgage credit institutions and banks	96.810	141.369	98.133
Trade payables	52.018	30.547	65.400
Prepayment from customers	22.046	28.664	24.597
Other payables	83.226	101.053	83.980
Total current liabilities	254.100	301.633	272.110
Total liabilities	366.005	440.004	398.333
TOTAL LIABILITIES AND EQUITY	547.703	577.526	546.869

BoConcept Holding A/S

Encl.

Consolidated income statement 1 May 2007 - 31 January 2008

	Q3 Accumulated DKK'000
Revenue and other operating income	860.733
Operating expenses'	-797.707
Depreciation and amortisation	21.616
Change in net working capital	-14.117
Cash flow from operating activities before financial income	70.525
Interest income etc.	1.760
Interest paid	-12.163
Cash flow from ordinary operating activities	60.122
Income taxes paid	-16.973
Cash flow from operating activities	43.149
Acquisition of intangible fixed assets	-2.789
Sale of intangible fixed assets	0
Acquisition of property, plant and equipment	-28.411
Sale of property, plant and equipment	250
Acquisition of investments	-788
Sale of investments	0
Other loans	1.280
Acquisition of companies	0
Disposal of companies	655
Cash flow from investing activities	-29.803
Cash flow before repayment of bank debt	13.346
Employee shares net	4.604
Instalments on long-term debt	-11.504
Dividend paid	-5.005
Utilisation share options	1.390
Cash flow from financing activities	-10.515
Net cash inflow/outflow	2.831
Cash and cash equivalents less short-term bank debt	-73.053
Revaluation of cash and cash equivalents	-105
Cash and cash equivalents	-70.327
The amount can be broken down as follows:	
Cash without restrictions	11.071
Short-term debt to credit institutions	-81.398
	-70.327