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ANNOUNCEMENT 8/2014

Herning, 27 June 2014

BoConcept's 2013/2014 financial year characterised by difficult market conditions and hard work to boost future growth and earnings

Today the supervisory board has approved the annual report of BoConcept Holding A/S for the 2013/2014 financial year. The 2013/2014 annual report contains the following highlights:

- **Revenue was DKK 1,049 million, corresponding to an increase of 2.3%.** Revenue was favourably affected by the acquisition of the Chinese activities, but adversely affected by changes in foreign exchange rates

- **Same-store-sales in terms of order intake were up by 1.4%.** A negative trend in the first six months of the year was followed by progress, especially in the fourth quarter, when the full effect of our sales promotion initiatives was seen

- With **40 new store openings and 26 closures** the franchise chain reached a record number of 266 brand stores at year-end, partly due to the opening of a sizeable number of stores in Germany, Asia and the USA

- **An EBIT percentage of minus 2.1%** as a result of additional expenses for concept development, more marketing initiatives, higher provisions for losses on debtors and declining foreign exchange rates

- **The group posted a negative result after tax of DKK 13 million**

- Investments in Chinese master rights, location involvement, own stores and inventories increased the balance sheet and resulted in **an equity ratio of 36.1%** at year-end

- An improvement in the composition of working capital boosted cash flow from operating activities in the last quarter of the year. After net investments totalling DKK 59 million, **cash flow before financing activities was an outflow of 5% of revenue**

OUTLOOK

- Subject to unchanged market conditions and foreign exchange rates, management expects BoConcept to increase its level of activity and earnings in the 2014/2015 financial year through its updated business base. We expect revenue to increase by 5-8%, with positive contributions from same-store-sales and additional stores. The operating margin will be 2-3%, driven by revenue growth, greater efficiency and lower provisions for losses.

  Over the next few years, investment will return to normal at a level that matches depreciation charges.

  Our forecast for the 2014/2015 financial year is based on the assumption that exchange rates remain at their current level and market conditions remain stable.

'Implementation of a series of activities designed to increase traffic throughout the past financial year was slow to make an impact on sales figures for 2013/2014. Large-scale losses on debtors and the adverse effect of foreign exchange rates only made things worse, but the excellent improvement seen in same-store-sales in the fourth quarter, the opening of a record number of new stores and an adjustment of capacity costs had a favourable effect on our business', says Torben Paulin, CEO of BoConcept Holding A/S.

'To counteract the trend, we allocated substantial resources in the past financial year, which have helped point BoConcept in the right direction and adopt a strategy that will increase sales per square metre in our stores. We followed this up with considerable investment in our business base, giving our concept, collection and communications platform a radical makeover. At the same time, we implemented cost-cutting measures, reduced the number of management layers and prepared the organisation for greater efficiency in key areas. When we introduce our 2015 collection in September, our many initiatives will have been fully implemented. The task will then be to translate the updated platform into results in the form of higher sales and improved earnings, which we consider to be our only parameters for success in 2014/2015', concludes Torben Paulin.

Annual general meeting
The annual general meeting will be held at the company's office, Mørupvej 16, Herning on 27 August 2014 at 4 pm.

Motions for consideration at the general meeting must be submitted in writing to the supervisory and executive boards no later than six weeks before the general meeting, i.e. no later than 16 July 2014.

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

BoConcept Holding A/S

Viggo Mølholm	Torben Paulin
Bestyrelsesformand	CEO

ANNUAL REPORT

01.05-2013 - 30.04-2014

CVR no. 34 01 84 13

BoConcept Holding A/S

BOCONCEPT IN BRIEF

BoConcept is a global brand and an international furniture retail chain with a unique position at the upper end of the 'affordable luxury' segment.

Our vision is to make BoConcept the world's leading urban interior design brand. With our promise 'We make the most out of your space', we set ourselves apart from the rest by offering a complete concept, combining a modern, functional and fully coordinated collection with a unique personal interior design service. All the elements of the concept are gathered together in a single global communications platform and store concept that emphasises individualised solutions.

The collection is sold through a chain of 266 BoConcept Brand Stores and 47 BoConcept Studios in 60 markets worldwide. The stores are owned and run by franchisees, with BoConcept acting as business developer, sole supplier and international distributor to the franchise chain. Our business model and core competencies cover the entire value chain, from design, branding and marketing to production and supply chain. Our aim is to optimise operations and train sales personnel in the stores.

Profitable growth through execution

BoConcept's objective is profitable growth that enhances the creation of value. Our 'asset-light' business model is based on an extensive use of product sourcing and a strong emphasis on efficiency in all parts of the value chain, thus enabling the company to achieve considerably higher marginal earnings and strong cash flow without having to make major investments in non-current assets in times of revenue growth.

The strategy is based on three general themes that are the key value drivers in our business model:

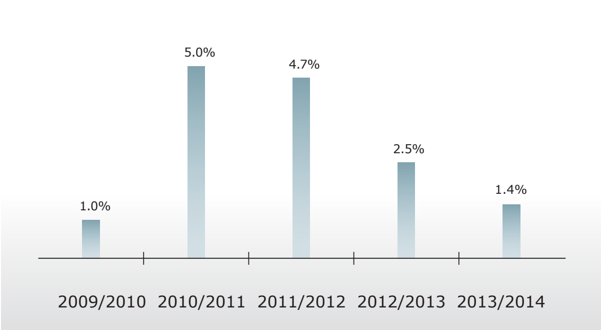
- creating growth in same-store-sales
- expanding the franchise chain
- taking advantage of a high level of productivity and efficiency to achieve economies of scale

BoConcept's strategy is to ensure the targeted realisation of the full growth potential of its brand and concept in order to achieve its long-term objective of significantly higher earnings and return on its investments. With its non-capital-intensive business model BoConcept endeavours to attain a normalised equity ratio of 40 to 50% over the course of a business cycle which includes possible short-term fluctuations. Once our equity ratio is at least on a par with our long-term target, and cash funds are no longer being invested in organic growth or acquisitions, the excess liquidity will be paid out to our shareholders.

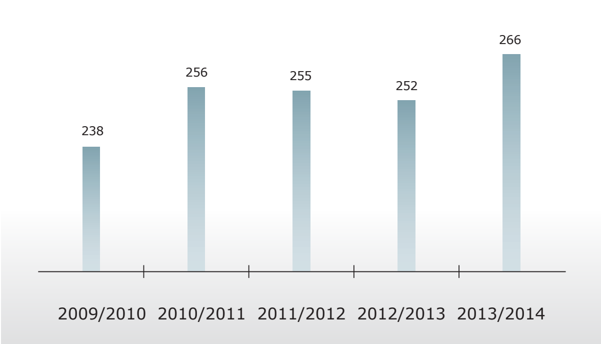
Same-store-sales

Same-store-sales are an expression of annual growth in order intake in a brand store that has been part of the chain for at least 13 months and that uses the group's Axapta system.

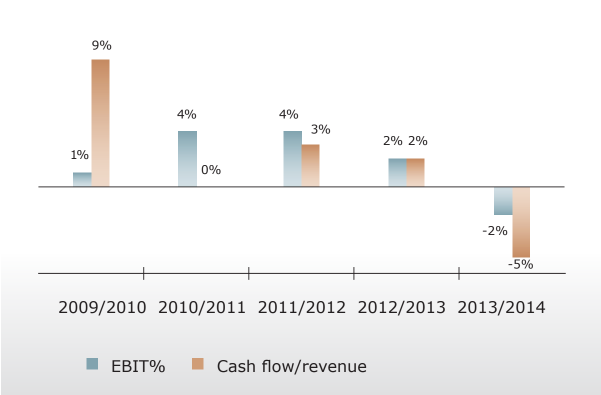
GROWTH IN SAME-STORE-SALES



NUMBER OF BOCONCEPT BRAND STORES



EBIT% AND CASH FLOW/REVENUE



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ACCOUNTS, CONSOLIDATED

ACCOUNTS, PARENT COMPANY

FINANCIAL HIGHLIGHTS & KEY FIGURES

	2013/14	2012/13	2011/12	2010/11	2009/10
Income statement in DKK million					
Revenue	1,049.5	1,026.1	1,022.2	1,001.1	910.2
Gross profit	448.8	442.9	451.6	421.4	371.2
Profit before financial income and expenses, depreciation and amortisation (EBITDA)	15.6	51.3	75.5	71.9	51.1
Profit/loss from operating activities (EBIT)	(21.7)	19.5	36.7	35.1	12.7
Financing, net	(2.0)	(2.1)	2.8	(4.9)	(3.1)
Profit/loss before tax and minority interests	(23.7)	17.4	39.6	30.2	9.6
Profit/loss after tax	(12.8)	11.3	25.6	19.7	5.3
Balance sheet details in DKK million					
Non-current assets	249.2	240.2	244.7	251.6	260.1
Current assets	332.6	292.1	296.9	256.0	249.9
Balance sheet total	581.9	532.3	541.6	507.6	510.0
Equity	210.3	228.0	224.9	199.7	183.6
Interest bearing debt	128.2	74.7	86.8	109.2	132.0
Cash flow in DKK million					
Cash flow from operating activities	5.0	55.2	53.1	32.6	106.4
Cash flow from investing activities	(59.4)	(31.9)	(21.2)	(29.0)	(28.7)
Cash of which invested in property, plant and equipment	(28.4)	(16.5)	(10.2)	(4.2)	(11.1)
Cash flow before financing activities	(54.5)	23.4	31.9	3.7	77.7

	2013/14	2012/13	2011/12	2010/11	2009/10
Financial ratios					
Operating margin (EBIT%)	(2.1)	1.9	3.6	3.5	1.4
Return on capital employed (ROCE)	(3.9)	3.6	7.0	6.9	2.5
Cash flows in % of revenue	(5.2)	2.3	3.1	0.4	8.5
Net working capital in % of revenue	8.9	9.0	9.6	9.3	5.9
Earnings per share of DKK 10	(8)	6	14	11	3
Return on equity	(5.9)	5.0	12.0	10.3	3.2
Equity ratio, %	36.1	42.8	41.5	39.3	36.0
Book value per share of DKK 10	73	80	79	70	64
Average number of employees, full-time	627	586	579	579	530

	2013/14	2012/13	2011/12	2010/11	2009/10
Stock market ratios					
Dividend, DKK million	0.0	0.0	5.7	5.7	0.0
Market price at year-end	97	110	112	170	210
Share capital, DKK million	28.6	28.6	28.6	28.6	28.6
Price/book value	1.3	1.4	1.4	2.4	3.3
Price/earnings ratio, year-end	-	27.8	12.5	24.7	113.3

The financial ratios have been calculated in accordance with the 'Recommendations & Financial Ratios 2010' issued by the Danish Society of Financial Analysts.

FINANCIAL HIGHLIGHTS

FROM BOCONCEPT HOLDING A/S' 2013/2014 ANNUAL REPORT

FINANCIAL REVIEW

- **Revenue was DKK 1,049 million, corresponding to an increase of 2.3%.** Revenue was favourably affected by the acquisition of the Chinese activities, but adversely affected by changes in foreign exchange rates
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ANNUAL GENERAL MEETING

- The supervisory board of BoConcept Holding recommends to the shareholders in general meeting that no dividends be distributed for the 2013/2014 financial year.

The Cenova sofa is a modular concept that can be put together so that it fits the customer's tastes and needs perfectly

TARGETED EXECUTION OF OPTIMISED BUSINESS BASE

The 2013/2014 financial year did not turn out as expected for BoConcept. Implementation of a series of activities designed to increase store traffic in the course of the past year was slow to make an impact on sales figures. Large-scale provisions for losses on debtors and the adverse effect of foreign exchange rates only made things worse, and the excellent improvement seen in same-store-sales in the fourth quarter, the opening of a record number of new stores and an adjustment of capacity costs was not enough for us to reach our original financial targets, which is unsatisfactory.

Updated strategy and business base tailored to customers' needs

In the light of these developments, in the 2013/2014 financial year, we made a great effort to create a better basis for improving our performance.

We began this process with a global customer satisfaction survey to determine why our customers think our brand and concept is amazing. The findings have helped point BoConcept in the right direction and adopt a strategy that will increase sales per square metre in our stores and thus improve the earnings of our stores as well as BoConcept. A key element of the strategy is to emphasise the message of how BoConcept, through its functional and personalised interior design solutions, delivers its unique core competence: 'We make the most out of your space'.

We invested a great deal in our business base in 2013 and 2014, with a view to creating the fundamentals for executing our strategy. 60% of our 2015 collection is made up of new or updated products. We will be rolling out the next generation of our store layout, which focuses on our concept approach, and introduce an entirely new communications platform to illustrate, through real-life stories and personal experiences, how we make a difference for our customers.

Moreover, in our pursuit of greater efficiency and effectiveness, we have reduced the number of management levels in the organisation and empowered the organisation to act in important focus areas. We have added new and powerful resources to our product development, distribution, marketing and business development: the last-mentioned is intended to ensure focus on our store openings and to reduce losses from challenged stores through targeted action plans.

Execution and improved earnings are our only parameters of success

Our updated business base passed its first test in May, when we presented our new store concept, collection and communications platform to our franchisees at this year's BiC (BoConcept inspiration Camp). We are currently putting together the last details for the second major test: the roll-out to customers in connection with the launch of our 2015 collection in September. On this occasion, we will be shifting the focus of our organisation from development and preparation to implementation and execution.

We invested a great deal of hard work and resources in the 2013/2014 financial year to set up a new platform for growth and improvement at BoConcept. The task at hand now is to reap the fruits of our labour when we translate the updated platform into results in the form of higher sales and improved earnings, which we consider to be our only parameters for success in 2014/2015.

Torben Paulin
President & CEO

HIGHLIGHTS OF 2013/2014

IN A PERIOD CHARACTERISED BY DIFFICULT SALES CONDITIONS, ESPECIALLY IN EUROPE, WE WORKED HARD TO IMPROVE THE FUNDAMENTALS FOR GROWTH AND EARNINGS IN OUR STORES AND IN THE GROUP IN THE 2013/2014 FINANCIAL YEAR.

High level of marketing activity – and a world-renowned designer for our Effect collection

Our 2013/2014 collection was launched in an image campaign with a strong attitude that set the brand apart from its competitors, along with a new website aimed at bringing more traffic to our stores. The collection's entry prices remained unchanged, and the 20% total share of new products was highest at the upper end of the price range.

With its 2014 Effect collection, titled fusion, BoConcept entered into an exclusive partnership with Japanese design studio nendo and its founder, Oki Sato. The collection and our collaboration with one of the most influential furniture designers of our time attracted great attention in design media the world over.

The level of marketing activity remained high throughout the year, with BoConcept continuing to support regional promotional efforts in order to increase brand awareness and traffic to the stores in its principal markets.

Implementation of new management strategy and heavy investment in concept development

Since the summer of 2013, management has worked hard to develop the group's strategy and lay the foundations for a radical boost in the level of activity in the franchise chain. This has led to an extensive upgrade of all parts of the value chain, which will be introduced in connection with the 2015 collection in September 2014. At the same time, BoConcept has implemented a performance-oriented management strategy that will enable the global organisation – through targeted training, motivation and feedback – to realise far more ambitious goals for same-store-sales and efficiency than ever before.

Acquisitions in China boost brand and performance

BoConcept repurchased the Chinese master rights on 1 May 2013. BoConcept also set up an 85%-owned subsidiary with nine own stores and six franchise stores and an organisation to handle distribution, support and development.

Our investment in China has given us the control, focus and resources to speed up performance and franchise expansion in a market that holds considerable growth potential for international furniture brands. Due to the targeted roll-out of the complete concept by the market organisation, sales generated by our own stores and franchise stores are on the increase, and new projects are continually being added to the pipeline.

Sharp increase in new stores

With 40 newly opened stores and a net addition of 14 stores in the 2013/2014 financial year, a new record was set for chain expansion. The openings break down into 33 new franchise stores, eight of them in Germany alone, and seven own stores. Investment in our own stores, primarily in China and Japan, has boosted our concept, position and branding considerably.

We have offered the Location Involvement programme as partial financing for setting up 11 franchise stores in the financial year, most of them at the beginning of the year and fewer in the second half, where BoConcept primarily acted as guarantor for bank loans.

Individual items have a negative impact on provisions

For the past two years, provisions for losses on receivables accounted for about 2% of revenue, but they rose to 3.6% in the 2013/2014 financial year. There are three reasons for this: first, recent years have seen an increasing number of stores affected by negative same-store-sales. This lack of progress has made things increasingly difficult for the most poorly performing franchisees, which in turn has increased debtor days and affected the overall health of the chain. Second, the credit policies were tightened in the USA after responsibility for the company's finances had been transferred to its Danish headquarters. Third, provisions were adversely affected by a few considerable-sized items in the 2013/2014 financial year.

In addition to major investments aimed at increasing same-store-sales through a roll-out and communication of the new concept and collection update, our newly established business development department will play a key role in assisting distressed stores and reducing provisions. Active support and targeted action and follow-up plans have been implemented to ensure to counteract and overcome specific financial and operational challenges in the individual stores in consultation with their current franchisees or new franchisees if the original franchisee fails to realise the available potential.

Focus on sales and expansion through re-organisation

To support its performance-driven management strategy, BoConcept implemented large-scale restructuring measures in February 2014, which resulted in a flatter retail organisation and made executives directly responsible for optimising sales performance. At the same time, we have transferred our strategic focus on store expansion to the business development department in order to keep up the momentum in chain expansion.

The restructuring and re-organisation measures and the adjustments in capacity costs that we have been implementing since May 2013 will have a total positive effect on the group's EBIT to the tune of DKK 28 million for the 2014/2015 financial year.

Greater efficiency in supply chain and distribution

The outsourcing of our distribution centre in the USA was finalised in the autumn of 2013, which reduced distribution costs and improved our reliability as a supplier following a time of business interruptions and delays.

In our continuing efforts to optimise our supply chain, we closed our sourcing office in Dongguan (China) in February 2014 and centralised our activities in Shanghai (China).

Dynamic new board with extensive retail experience

In October 2013, three members of the supervisory board of BoConcept Holding A/S announced that they wished to resign from the board due to disagreements on the group's future strategy.

At an extraordinary general meeting in November 2013, Peter Thorsen, Henrik Burkal and Preben Bager were unanimously elected as new board members, nominated by BoConcept Holding A/S and supported by a number of key external shareholders. The supervisory board then elected Viggo Mølholm as chairman and Peter Thorsen as deputy chairman.

The wall system range will be replaced in 2015 with three new product lines that feature beautiful and smart details and innumerous options to meet different storage needs

UPDATED CONCEPT STRENGTHENS FUNDAMENTALS FOR GROWTH

IN 2013 AND 2014, BOCONCEPT INVESTED HEAVILY IN THE DEVELOPMENT AND REVITALISATION OF ITS CONCEPT, THE CREATION OF A NEW COLLECTION, STORE OPENINGS, MANAGEMENT TRAINING AND EFFICIENCY IMPROVEMENTS. WE ARE DEDICATING THE 2014/2015 FINANCIAL YEAR TO A SUCCESSFUL ROLL-OUT OF THE MEASURES IMPLEMENTED IN ORDER TO LAY THE FOUNDATION FOR THE BOCONCEPT OF THE FUTURE AND TO ENSURE GROWTH IN REVENUES AND EARNINGS.

BoConcept's strategy is aimed at ensuring a targeted realisation of the full growth potential of its brand and concept in order to achieve its long-term objective of significantly higher earnings and return on investments. Through sourcing and economies of scale in product development, marketing, support and administration, our business model is designed to ensure that revenue growth can generate a marginal earnings contribution in excess of 25% (EBIT level). Such growth is not capital-intensive, and the company has set itself an equity ratio target of 40-50%.

The strategy will be translated into action and results along three tracks: increased same-store-sales, strengthening and expansion of the franchise chain, and economies of scale through higher efficiency and productivity.

Growth in same-store-sales

Growth in same-store-sales is a key parameter of success that reflects BoConcept's ability to gain market share and increase earnings in its franchise chain.

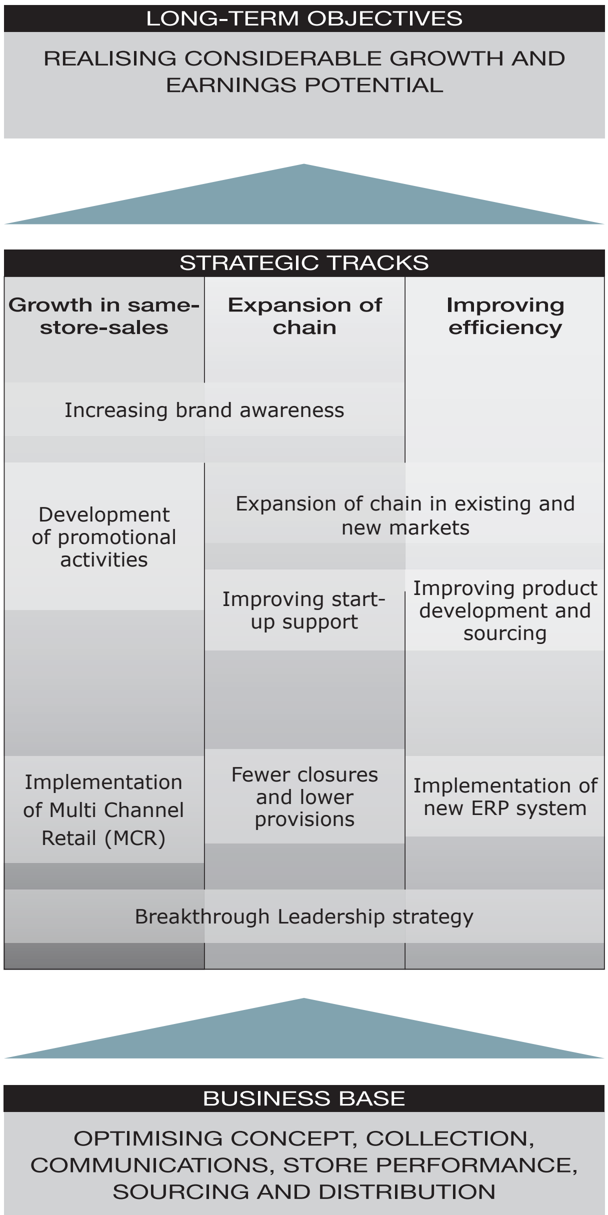
Our tactical and operational focus is on the implementation of sales-promoting initiatives that strengthen our brand and concept, increase traffic and give our customers a unique service and shopping experience.

BoConcept's collection is designed to satisfy our style-conscious target group's demand for furniture that is stylish, flexible and coordinated – and, above all, makes the most of the limited space available in a modern urban home. To optimise collection sales, BoConcept has developed a communications platform that sets BoConcept apart from its competitors.

Expansion of the franchise chain

An important precondition for realising BoConcept's global growth potential is the expansion of its franchise chain.
This will raise awareness of the brand and guarantee synergies in and capitalisation on marketing, distribution and administration.

Assisted by local market organisations, the business development department is responsible for opening new stores in the franchise chain and providing start-up support. BoConcept is actively seeking new franchisees and developing partnering models, training programmes and financing solutions to accelerate expansion. Targeted action plans and a well-structured



approach to assisting distressed stores are intended to safeguard receivables and reduce the number of store closures.

Economies of scale through improved efficiency

BoConcept intends to ensure a competitive business and cost platform through the optimisation of its administration, supply chain and distribution functions.

Thanks to sourcing, our existing production and distribution set-up has the capacity required to handle long-term growth. We will also generate a higher earnings contribution by outsourcing a higher proportion of our warehousing function and optimising product development in order to achieve higher quality, greater reliability of delivery and better time-to-market. Finally, BoConcept is continually working to adjust capacity costs to ensure higher productivity.

REVITALISED CONCEPT AND BUSINESS BASE READY FOR LAUNCH

After having faced market challenges and intensified competition for a number of years, BoConcept launched a strategic process in 2013 with a view to increasing franchise chain sales per square metre and thus improving group earnings.

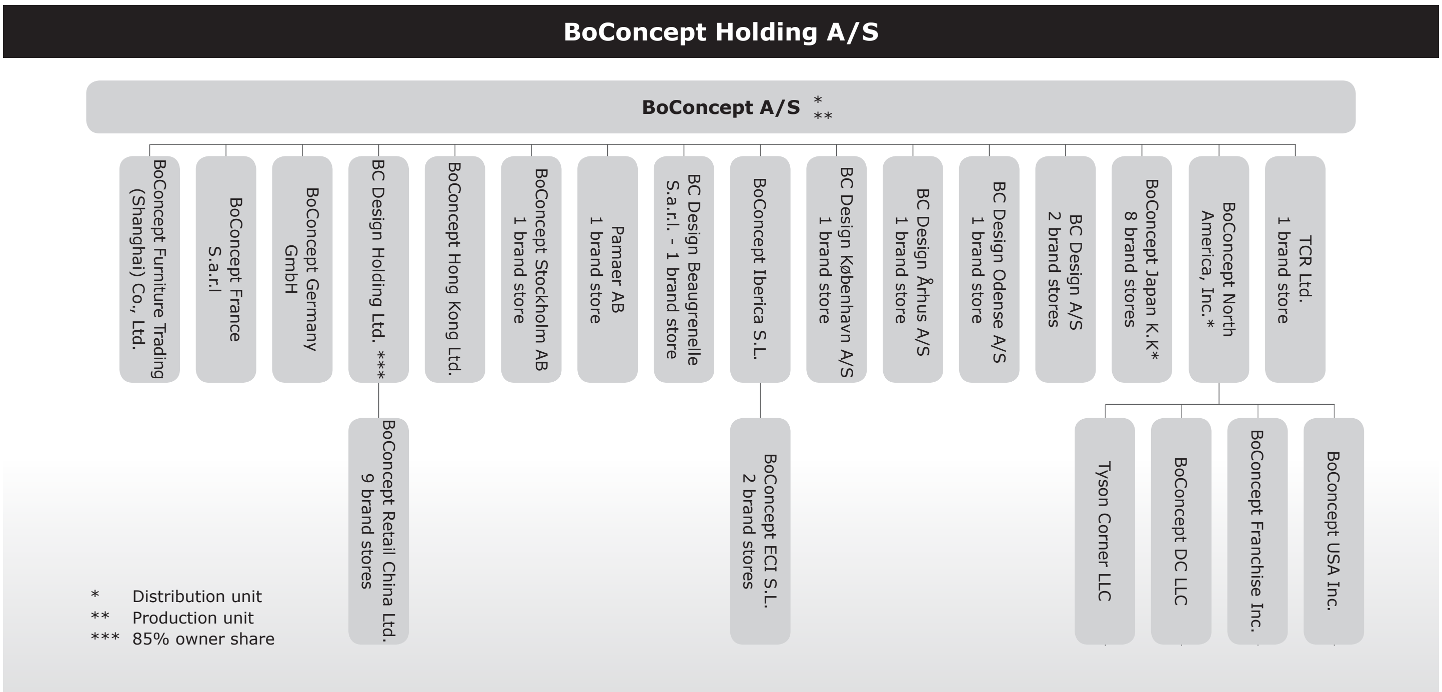
This process is based on a large-scale international customer survey that provided a unique insight into how customers perceive BoConcept and the options that the concept and brand offer the company's global target group.

Based on the outcome of the survey, we invested in a comprehensive update of our entire value chain, ranging from concept, collection and communications to support, product development and back-office functions. The new platform will be rolled out commercially with the launch of the 2015 collection.

The same BoConcept – only better

BoConcept already has a strong brand, but we need to raise customer awareness of the functionality, adaptability and interior design advice associated with the concept. BoConcept has now launched a process to do just that.

To emphasise BoConcept's uniqueness, the entire store concept will be updated so that the design more clearly communicates the individual options offered by the concept as well as highlighting our personal service and interior decoration function, which is a unique and key sales tool for BoConcept.



Most of the collection to be updated and replaced

About 60% of the products will be updated or replaced in our 2015 collection. Our entire wall unit range will be replaced by three new lines in a cross-cutting concept coordinated in size and design, which is quite unique. Our wall units will also come in new colours.

On the upholstery side, we have two new armchairs and three new sofa designs. At the same time, we are replacing the entire fabric and leather collection and introducing new colour palettes, a better finish and qualities of our own design, all of which will result in considerably better value for money. In the Sleeping category, we will be introducing new bed frames and systems that can be mixed and matched with the other components in our board furniture range, and in the Dining category we will be launching an entirely new chair concept. We will also be extending our dining table collection to include new products and many more mix-and-match options.

We are changing our accessories strategy so that we have a minor basic collection supplemented by four annual product updates to make room for seasonal goods that will create freshness and traffic.

New product category

With its new collection, BoConcept has introduced a new product category to its current range. The formal part of the collection will be expanded at the upper end of the price range, where our target group often employs the services of interior designers when shopping for furniture.

Completely new communications platform

With our 2015 collection, we will be adopting a completely new communications strategy based on our brand promise 'we make the most out of your space' and pay-off – 'It's not a product - it's a concept' – which will alter BoConcept's value proposition.

We will be involving our customers more directly in our communications. In our marketing, on our website and in our stores, communication will be based on real-life customer cases that underline how BoConcept's customers perceive and make use of the concept. To intensify the personal customer experience, BoConcept has fitted out three apartments – in New York, Dubai and Berlin – that customers can rent or win a stay in so they can test the concept and all the options that come with it.

Optimised production processes and supply chain

As part of updating our concept, we have also analysed our development processes and supply chain in consultation with our suppliers to identify opportunities for optimising our sales performance. As a result, we have reduced the complexity of our upholstery production process, enabling reductions in production time and costs and thus making the products more commercially viable. This process has in turn released resources to allow the introduction of new features: one example is our electrically adjustable sofas, an option much sought after in the upper price ranges.

The Carlton sofa in modern, golden corduroy fabric

Action is a top priority in the year ahead

Management will be focusing fully on rolling out the company's revitalised concept in the 2014/2015 financial year, in which investment will be converted into higher revenues and earnings.

Preparations for the commercial launch of the collection in September have been underway throughout the financial year and include building up inventories, updating of stores, preparing campaigns and updating sales materials. Combined with the group's new breakthrough management strategy and a strong boost of our interior decoration concept, the new measures are expected to generate a strong momentum for growth in the years ahead.

The newly established business development department will work hard to fill the pipeline and improve the quality of its contents to keep the number of store openings high. One key focus area is the development of a new start-up model, which includes following franchisees closely during their first year to ensure the best possible foundation for a financially successful store. Another key focus area is to bring down the number of store closures and distressed stores in order to reduce provisions for losses.

Lastly, we need to make sure that synergies from the cost-cutting measures implemented in the 2013/2014 financial year increase earnings and cash flows.

Outlook for revenue growth and earnings in the 2014/2015 financial year

We expect revenue to increase by 5-8%, with positive contributions from same-store-sales and additional stores. The operating margin will be 2-3%, driven by revenue growth, greater efficiency and lower provisions for losses.

The BoConcept Brand

OUR BRAND PROMISE

Our promise to everyone around us

We make the most out of your space

OUR PURPOSE

The big singular reason why we are here

When it comes to style, function and customisation, we make the most out of our customers' space

OUR COMPETENCES

What we do better than the others

Our insight into urban living makes us able to design furniture and create homes that make the most of our customers' interiors – both when it comes to personal style ambitions and best use of space

OUR BRAND SOUL

The most singular way to describe our brand

Designing urban life

OUR VISION

What we want to achieve

To make BoConcept no. 1 brand within urban interiors

OUR MISSION

What we do to achieve our vision

Through passionate and persistent performance we make customized, coordinated and functional design furniture accessible to the urban-minded shopper

OUR CORE VALUES

How we always act

1: Respect!
always show you care

2: Think Smarter
always look for the better solution

3: Play the Team
always use your freedom responsibly

4: Love City Life
always know what's going on

OUR PAY OFF

Our promise and idea expressed in one single-minded, differentiating and impactful manner

Urban Danish Design Since 1952

2013/2014 FINANCIAL REVIEW

THE DISAPPOINTING REVENUE TREND AT THE BEGINNING OF THE YEAR WAS FOLLOWED BY GROWTH IN THE FOURTH QUARTER OF 2013/2014. EARNINGS AND CASH FLOW REFLECTED A YEAR CHARACTERISED BY MAJOR INVESTMENTS IN THE COMPANY'S FUTURE BASIS FOR GROWTH, DECLINING FOREIGN EXCHANGE RATES AND LARGE-SCALE PROVISIONS FOR LOSSES ON DEBTORS.

BoConcept generated revenue of DKK 267 million in the fourth quarter of 2013/2014, up by 6.4% on the corresponding period last year. Adjusted for the negative foreign exchange effect of the USD and JPY, revenue growth was 9.1% in the last quarter of the year, which was satisfactory following revenues below budget in the first three quarters of the year.

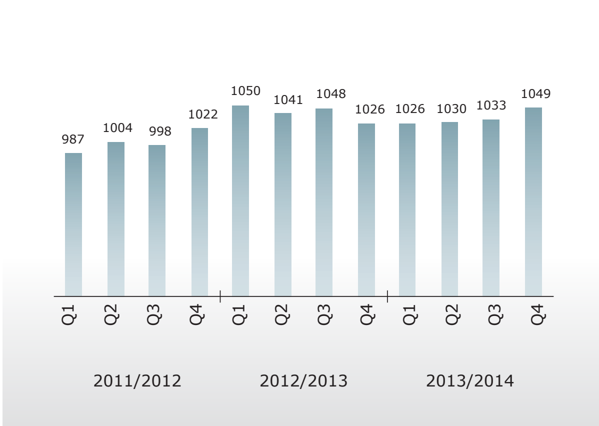
Revenue trends (in DKK million)	Q4	YTD
Actual 2012/2013	250.3	1,026.1
Exchange rate effect	(6.5)	(39.5)
Net change, brand stores	23.5	67.6
Net change, studios	(0.8)	(4.7)
Actual 2013/2014	266.5	1,049.5

BoConcept generated revenue of DKK 1,049 million in the 2013/2014 financial year, compared with DKK 1,026 million the year before. Growth of 2.3% was in line with our most recent forecast (see Announcement no. 4/2014 of 10 March 2014), but below the figures we originally anticipated. This is primarily due to two factors. First, the negative foreign exchange effect was higher than originally foreseen. Taking into account the total foreign exchange effect, growth was thus 6.1%. Secondly, revenues generated by brand stores (except in China) were lower than budgeted for at the beginning of the year. The additional revenue generated by the stores acquired in China was in line with expectations at DKK 38 million.

Challenges in principal markets followed by stability and moderate growth

The growth markets in Latin America and Asia reported excellent progress in the 2013/2014 financial year, whereas the level of activity in BoConcept's principal markets was characterised by consumer hesitancy and low traffic. However, the situation improved towards the end of the financial year,

REVENUE (PAST 12 MONTHS) IN DKK MILLION



and, for the first time that year, Europe showed signs of progress, in the fourth quarter.

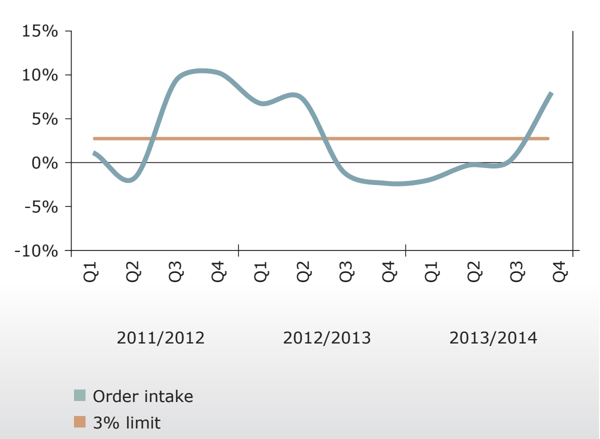
With revenues declining roughly 7% in the 2013/2014 financial year, our stores in France suffered in the face of challenging market conditions caused by a tough fiscal policy, which resulted in consumer hesitancy. As a result, traffic declined significantly, and this led to aggressive price competition throughout the market. To combat this trend, BoConcept and its franchisees allocated more resources to marketing and launched a large-scale campaign in the autumn, which improved sales conditions and generated growth in same-store-sales in the second half of 2013/2014.

Revenues from the BoConcept stores in Germany showed signs of improvement during the financial year, thanks to the opening of a large number of new stores. BoConcept also intensified its marketing effort in Germany in order to create traffic. Despite

REVENUE TRENDS IN THE REGIONS AND VARIOUS PRINCIPAL MARKETS

(In DKK million)	2013/14 Q4	2012/13 Q4	Index	2013/14	2012/13	Index
Europe	**171.2**	**165.0**	**103.8**	**635.4**	**654.7**	**97.1**
France	48.7	45.4	107.3	152.4	163.6	93.2
Germany	34.3	27.7	123.8	128.7	112.0	114.9
Middle East + Africa	**8.9**	**10.3**	**86.4**	**36.1**	**30.5**	**118.4**
North America	**26.2**	**26.7**	**98.1**	**125.1**	**123.1**	**101.6**
USA	23.0	23.9	96.2	110.3	109.4	100.8
Latin America	**11.5**	**10.5**	**109.5**	**56.5**	**44.7**	**126.4**
Asia	**48.7**	**37.9**	**128.5**	**196.3**	**173.1**	**113.4**
Japan	26.5	27.6	96.0	113.8	121.4	93.7
Total	**266.5**	**250.4**	**106.3**	**1,049.5**	**1,026.1**	**102.3**

QUARTERLY SAME-STORE-SALES TRENDS



these efforts, same-store-sales remained under pressure throughout the period, affected by, among other things, a general decline in the demand for durable consumer goods.

BoConcept experienced its most solid European performance improvement in the United Kingdom, where franchisees translated generally improved sales conditions and newly developed management tools into dramatic growth in same-store-sales. In the Nordic countries, the stores in Sweden continued their sound growth in same-store-sales, while sales in Denmark were under pressure from a market characterised by campaigns focusing heavily on price.

Following years with sharp revenue decline and considerable restructuring in the markets in Southern Europe, activities have now settled at a stable low level, forming the backdrop for a gradual restoration of revenues and consolidation of market positions.

Revenues generated in the USA in the first quarters of the year were affected by business interruptions, due to outsourcing of the distribution and warehousing functions. In the latter part of the financial year, the new distribution set-up was in place, and same-store-sales rose, thanks to focused sales and support efforts. We also focused on reducing losses on a small number of poorly performing stores, which will be closed or sold to new franchisees. Trends were far more agreeable in Latin America, where BoConcept's franchisees were high performers and transformed huge market potential into excellent growth.

BoConcept increased its level of activity in Asia considerably in the 2013/2014 financial year through its acquisition of the distribution unit and own stores in China. Same-store-sales have improved considerably since BoConcept took over the

			Number of stores 30 April 2014			Pipeline 30 April 2014	
	2013/14 Openings	2013/14 Closures	Stores	Own stores of this amount	Studios	Phase 2	Phase 3
Europe	**16**	**13**	**149**	**11**	**47**	**15**	**4**
France	1	1	31	1		4	1
Germany	8	0	24			1	2
UK	1	0	14	1	4	4	
Spain	0	3	10	2	1		
Denmark	0	0	8	6			
Sweden	0	1	4	2	1		
Norway	0	0	0		16		
Middle East and Africa	**2**	**2**	**11**			**2**	**2**
North America	**4**	**2**	**29**	**2**		**6**	
USA	4	2	25	2		5	
Latin America	**4**	**0**	**23**			**10**	**2**
Asia	**14**	**9**	**54**	**17**		**11**	**2**
Japan	5	5	19	8		2	0
China	7	4	18	9		6	0
Total	**40**	**26**	**266**	**30**	**47**	**44**	**10**

market organisation, and we have consolidated our market position through implementation of the complete concept.

In local currency terms, growth in BoConcept's own stores in Japan was strong, with strong growth in same-store-sales over the year. However, when translated into Danish kroner, the revenue growth achieved was completely eroded by the significant decline in the JPY.

Throughout the year, BoConcept has been working hard to implement initiatives to create traffic and boost sales. We have launched a new website, made considerable marketing investments and implemented a new management strategy. However, the result of our efforts only became apparent in the fourth quarter, when same-store-sales rose by 7.8%, a dramatic increase primarily attributable to an improved hit rate, seeing that both traffic and basket size have remained constant.

As a result of growth in the last quarter of the year, expansion in same-store-sales for the full financial year was 1.4%, which was an improvement on the 0% growth originally anticipated.

More stores in the chain than ever before

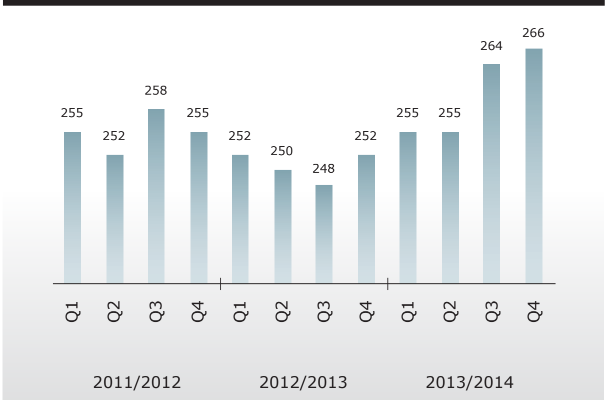
At the beginning of the year, management expected to open about 35 new stores and expand the chain by a net number of roughly 10 stores, a figure that was later adjusted upwards to 40 openings and a net addition of about 15 stores: see Announcement no. 4/10 of 10 March 2014. With the opening of 10 new stores and the closure of eight in the last quarter of the financial year, our forecast came true.

With the addition, there were 266 brand stores in the chain at the balance sheet date, in 60 markets, the largest number ever. The stores in the chain have remained at an average floorage of 458 square metres and average retail sales of about 1 million euros in the 2013/2014 financial year.

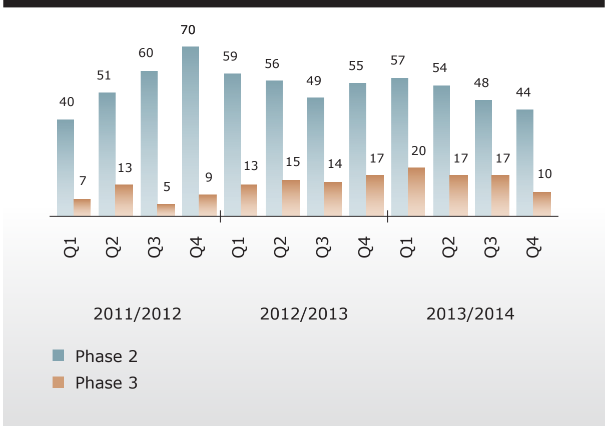
The number of store openings was particularly high in Germany and the USA, where the company has been making a huge effort to search for and attract new franchisees in recent years. We have also opened more of our own stores in Japan and China in attractive locations with a great deal of potential. The number of store openings in Latin America illustrates the market potential and the high level of interest in the concept in that part of the world. Our Location Involvement programme, which provides new franchisees with start-up financing, accounted for a total exposure of DKK 27 million at the end of the financial year, as was expected.

In our large-scale shake-up process, we closed 26 stores in the past financial year, the majority due to poor performance or franchisee failure to adhere to the concept. On a full-year basis, a newly opened store made an average contribution of

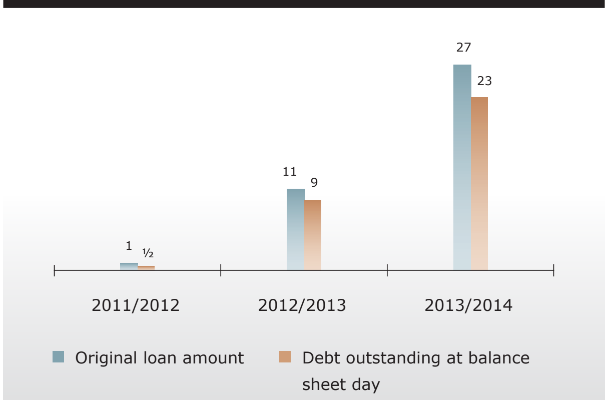
NUMBER OF BRAND STORES



BRAND STORE PIPELINE



LOCATION INVOLVEMENT



CHANGE IN OPERATING PROFIT Q4

(In DKK million)	Q4 2012/13	Business model and optimisation	More own stores	China	Currency	Q4 2013/14
Revenue	250.3	9.0	3.0	10.7	(6.5)	266.5
Cost of sales	(143.1)	(8.2)	0.0	(3.8)	1.9	(153.2)
Gross profit/(loss)	107.2	0.8	3.0	6.9	(4.6)	113.3
Capacity costs	(110.7)	(7.7)	(5.2)	(11.2)	3.3	(131.5)
Operating profit/loss	(3.5)	(6.9)	(2.2)	(4.3)	(1.3)	(18.2)
As a percentage of revenue	(1.4%)					(6.8%)

CHANGE IN OPERATING PROFIT FULL YEAR

(In DKK million)	2012/13	Business model and optimisation	More own stores	China	Currency	2013/14
Revenue	1,026.1	24.5	0.9	37.5	(39.5)	1,049.5
Cost of sales	(583.2)	(16.5)	0.0	(8.1)	7.1	(600.7)
Gross profit/(loss)	442.9	8.0	0.9	29.4	(32.4)	448.8
Capacity costs	(423.4)	(17.5)	(5.2)	(38.7)	14.3	(470.5)
Operating profit/loss	19.5	(9.5)	(4.3)	(9.3)	(18.1)	(21.7)
As a percentage of revenue	1.9%					(2.1%)

about DKK 3 million to group revenue, although one closed store reduced revenue by about DKK 2 million.

Naturally, the many store openings reduced our pipeline slightly in the fourth quarter of 2013/2014. We are still seeing interest in new store openings in Germany, and a great deal of interest is being expressed in the early stages of the pipeline (Phase 2) in the USA and in the growth markets in Asia and Latin America.

CONCEPT DEVELOPMENT, MARKETING AND LOSSES ON DEBTORS REDUCED EARNINGS IN THE 2013/2014 FINANCIAL YEAR

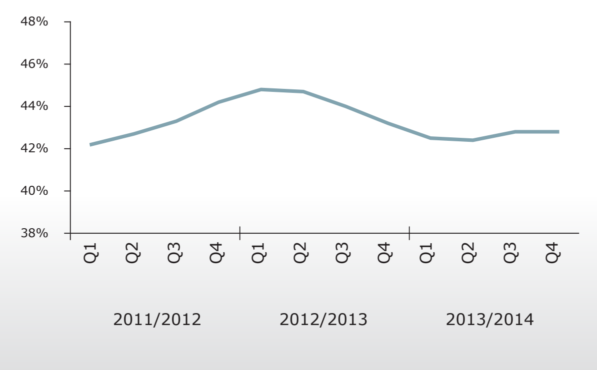
In the fourth quarter of 2013/2014, BoConcept posted operating losses, primarily as a result of non-recurring restructuring costs, provisions for losses on debtors, a higher number of own brand stores, and losses on Chinese stores.

For the full 2013/2014 financial year, additional costs for concept development, increased marketing initiatives and major provisions for losses on debtors, together with declining foreign exchange rates, had an adverse effect on earnings. Of the higher costs incidental to our Chinese activities, DKK 4 million is attributable to non-recurring costs for inventory adjustment and changed accounting policies.

Lower foreign exchange rates affected the gross profit margin

BoConcept's gross profit margin was 42.5% in the fourth quarter of 2013/2014, which was more or less the same as last year. However, the level reflects an underlying 0.7 percentage point reduction in the gross profit margin stemming from changes in foreign exchange rates and a 1.1 percentage point reduction due to higher provisions made for discontinued goods and commissioning and start-up costs associated with the collection switch-over. On the other hand, the Chinese activities

GROSS PROFIT (LAST TWELVE MONTHS)



and an addition of own stores helped boost the gross profit margin for the quarter by a total of 1.6 percentage points.

The gross profit margin for the full 2013/2014 financial year was 42.8%, which was 0.4 percentage points lower than the previous financial year. The decline in gross profit margin was primarily due to lower foreign exchange rates, which reduced the gross profit margin by 1.6 percentage points, whereas the activities acquired in China boosted the gross profit margin by 1.2 percentage points.

The sourcing ratio was 78% of revenues in the 2013/2014 financial year.

Chinese activities and higher provisions increase cost level

Capacity costs totalled DKK 471 million in the 2013/2014 financial year, versus DKK 423 million last year, corresponding to 44.8% and 41.3% respectively of revenue in the two years.

To a large extent, the increase in costs was due to the acquisition of activities in China and a larger number of own stores, with foreign exchange rates pulling in the opposite direction.

Costs involved in the business model rose by DKK 18 million. This is primarily attributable to the net effect of increased costs for concept development and our large-scale marketing campaigns totalling about DKK 9 million, and non-recurring/restructuring costs of about DKK 7 million, as well as an additional DKK 19 million in provisions for bad debts vis-a-vis savings from cost adjustments and restructuring measures, implemented in two stages – in May 2013 and in February 2014 – and reducing the cost level by about DKK 17 million in the 2013/2014 financial year.

Provisions for losses for the year totalled DKK 39 million versus DKK 20 million last year. Several years' adverse developments in same-store-sales had made things increasingly difficult for the most poorly performing stores in the 2013/2014 financial year, which affected the overall health of the chain. Another reason was the tighter credit policies in the USA following the centralisation of our finance function in Denmark, which increased provisions by about DKK 8 million compared with last year. Finally, provisions were adversely affected by a number of individual items relating to stores in the USA and Europe. Realised losses on receivables totalled DKK 8 million in the 2013/2014 financial year with DKK 0 million the year before.

Unsatisfactory earnings trend

The group booked an operating loss (EBIT) of DKK 18 million in the fourth quarter of 2013/2014, compared with a loss of DKK 4 million last year. For the full 2013/2014 financial year, the group reported operating losses of DKK 22 million, versus an operating profit of DKK 20 million last year.

The operating margin of minus 2.1% is at the low end of the predicted interval (see Announcement no. 4/2014 of 10 March 2014), but far below the originally anticipated operating margin of 2.5-3.0%. This is primarily attributable to three factors: first, revenue growth was limited due to the fact that the initiatives launched took too long to have an impact on the level of activity; second, costs savings were eroded by restructuring costs and additional costs for concept development and marketing and by higher provisions for losses on debtors; and, third, foreign exchange rates declined more than was budgeted for.

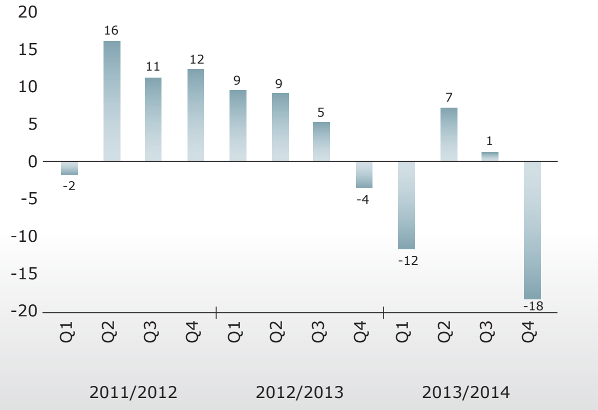
Financial items net were negative in the amount of DKK 2 million in the 2013/2014 financial year, resulting in a pre-tax loss of DKK 24 million, versus a profit of DKK 17 million the year before.

Taking into account DKK 11 million in tax income, the company posted a loss of DKK 13 million, compared with a profit of DKK 11 million in the 2012/2013 financial year. The supervisory and executive boards consider the results unsatisfactory, although they reflect the high costs for concept development, collection and communications, all of which will improve our future sales position.

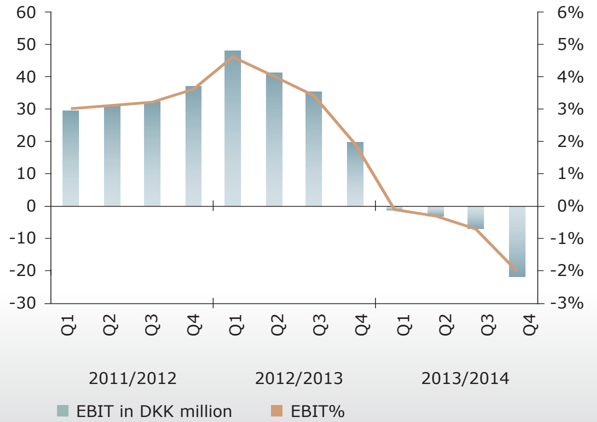
GROWTH-PROMOTING INVESTMENTS AFFECT THE BALANCE SHEET TOTAL

The balance sheet total was DKK 582 million at 30 April 2014, corresponding to an increase of DKK 50 million in the financial year and reflecting a year of heavy investment. The acquisition of Chinese master rights and stores thus caused a net increase in intangible assets of DKK 22 million, and major investments in our own stores increased property, plant and equipment.

OPERATING PROFIT (EBIT) IN DKK MILLION



EBIT IN DKK MILLION AND EBIT% (PAST 12 MONTHS)



However, the increase was generally offset by non-current asset depreciation charges that were higher than investment.

As anticipated, BoConcept increased its start-up financing loans for selected franchise openings under the Location Involvement programme in the 2013/2014 financial year. Net lending thus rose from DKK 9 million at the beginning of the financial year to DKK 23 million at its end.

Net investment in intangible assets, property, plant and equipment and financial assets totalled DKK 59 million in the 2013/2014 financial year, which is considerably above the DKK 32 million spent in the previous year.

Net working capital considerably reduced in the last quarter of the year

The net working capital totalled DKK 93 million at the balance sheet date, which was on a par with last year, despite great fluctuations over the course of the year and a DKK 38 million decline from the third quarter of 2013/2014. The revenue relative to net working capital was 8.9% compared with 9.0% last year, a figure that was below the 10% target.

Inventories rose by DKK 37 million over the year to reach DKK 143 million. The restoration of inventories to normal from a very low level at the beginning of the year increased inventories by DKK 12 million, while stocking up on new items for the large-scale replacement of the 2015 collection alone tied up DKK 15 million in inventories. The remainder of the increase is attributable to the addition of more own stores to the chain and the acquisition of BoConcept China.

Receivables totalled DKK 145 million, and were thus on a par with last year. Average debtor days rose from 48 last year to 52 in 2013/2014, and provisions for receivables totalled DKK 116 million, corresponding to 44.5% of total receivables at 30 April 2014, compared with respectively DKK 86 million and 37.3% last year.

On the creditor side, BoConcept's trade payables rose by DKK 28 million. Of this amount, DKK 17 million was attributable to larger inventories related to the new collection, which was thus co-financed by our suppliers. At the same time, prepayments from customers increased by DKK 20 million, also due to the inclusion of our own stores in China and additional sales generated by our own stores.

Investment in growth increases debt ratio

The group reported equity of DKK 210 million at 30 April 2014, corresponding to an equity interest of 36.1%, compared with 42.8% last year.

The group increased its net interest-bearing debt by DKK 53 million to DKK 128 million, compared with DKK 75 million last year. The increase is due both to long-term mortgage loans raised to finance our activities in China and to investment in the Location Involvement programme.

At the balance sheet date, the equity ratio was thus below the long-term goal of 40-50% set by the group. This was due to a high level of investment over the course of the year aimed at enhancing the group's concept, collection and brand and considerable investments made in China and in own stores. Management expects the equity ratio to return to normal in the years ahead, in line with the improved results and lower rate of investment.

Consequences of a new method of accounting for tax

Based on an assessment of BoConcept's future tax affairs, the group has decided to withdraw from the international joint taxation scheme that was previously used. The balance sheet total at the end of the 2013/14 financial year was adapted to reflect the new method of accounting for tax.

The change gives rise to expected tax payments of DKK 11 million, which will, however, be neutralised in a retaxation balance of DKK 33 million. The consequence of the new method of accounting for tax is therefore tax income of DKK 22 million for the 2013/2014 financial year. At the same time – although independently of the transition to national joint taxation – the group's deferred tax assets were written down from DKK 33 million to DKK 9 million. The total net effect of the tax changes and the tax for the year is a tax income of DKK 11 million in the 2013/2014 financial year. For further information, see notes 10 and 14 in the consolidated financial statements.

Effective handling of working capital improves cash flows more than expected

Cash flows from operations were affected by higher costs for concept development and marketing in the 2013/2014 financial year, which in combination with lower-than-originally-expected revenue growth reduced the operating profit. Total cash flows from operating activities declined from DKK 55 million last year to DKK 5 million this year.

With net investments of DKK 59 million in the 2013/2014 financial year compared with DKK 32 million last year, the group's cash flows before financing totalled a cash outflow of DKK 54 million, compared with a cash inflow of DKK 23 million for the same period last year.

Accordingly, cash flows before financing accounted for minus 5% of revenues, a considerable improvement on the most recent forecast of minus 8% (see Announcement no. 4/10 of 10 March 2014). This improvement is due to the fact that BoConcept has succeeded in reducing funds tied up in net working capital in the fourth quarter of 2013/2014 by collecting more receivables and increasing short-term financing through suppliers and prepayments from customers.

POST-BALANCE-SHEET EVENTS

Neither the supervisory board nor the executive board is aware of any events after 30 April 2014 which will materially influence the financial position of the group.

DISTRIBUTION OF PROFIT

The supervisory board recommends to the company in general meeting that no dividends be distributed for the 2013/2014 financial year, but that the profit for the year be retained.

RISK MANAGEMENT

EFFECTIVE RISK MANAGEMENT IS A KEY ACTIVITY FOR BOCONCEPT. BY ADOPTING POLICIES FOR CORPORATE GOVERNANCE, DEMONSTRATING ACCOUNTABILITY AND ESTABLISHING INTERNAL PROCEDURES, RULES AND STANDARDS THE COMPANY'S MANAGEMENT ENDEAVOURS TO IDENTIFY, ASSESS, MONITOR AND REDUCE RISKS THAT COULD AFFECT THE GROUP'S BUSINESS BASE AND STRATEGY.

The group's risk management is handled by the executive board in accordance with a set of guidelines stipulated and approved by the company's supervisory board. Risk management procedures focus on risk identification, evaluation of risk probabilities and consequences, and measures for reducing risk, and the executive board reports to the supervisory board annually in connection with the adoption of targets and strategy, which is on the agenda at every board meeting according to need.

MACRO-ECONOMIC RISK

As a result of considerable international activity in the market for durable consumer goods, BoConcept's revenue and profit correlate positively with market fluctuations and global economic trends and regional conditions, especially GNP growth, consumer confidence, housing sales and disposable income.

Dramatic shifts in the ordering patterns of stores in the different markets and large regions are significant indicators of change in the underlying markets, which BoConcept monitors so it will be able to react quickly on a support and marketing level, should the situation change. BoConcept will also be implementing process-optimisation and cost-cutting measures, both to consolidate the company's market position and to reduce the impact of major fluctuations in real economies. To ensure future profitability and efficiency, BoConcept implemented cost adjustments in the 2013/2014 financial year.

Because BoConcept's global strategy is to have a well-balanced and diversified sales structure with stores and sales spread across more than 60 countries, the company is less dependent on individual markets. BoConcept will seek to expand its presence in its current markets and allocate more resources to ensuring growth in the Asian and Latin American markets, in which the BoConcept brand and business model have a great deal of potential.

MARKETS AND COMPETITION

As an international furniture and design business, BoConcept is exposed to industrial risk when new collections are launched. It is necessary to note rapid fashion and life style changes early on and incorporate them into the collection. BoConcept manages this type of risk by thoroughly analysing target groups and markets and generally replaces only 20-25% of its entire product range annually and semi-annually, also in order to ensure continuity.

However, with the strategic update of concept, collection, stores and communications system set for roll-out in connection with the launch of our 2015 collection in September 2014, about 60 percent of the collection will be replaced with new products within all categories, new finishes, new colours and new materials that will improve functionality and quality and offer more coordination options. After our radical makeover of the 2015 collection, the number of collection updates will be reduced until it is back to the normal level of 20-25% after a few years.

The success of BoConcept relies on its image, brand and differentiation strategy, a strategy that positions company products at the top end of the medium market, which is characterised by less competition on price. Protecting the BoConcept brand against negative publicity and developing the positive view of the brand and the products through an active CSR policy is a high priority for the company. The brand positioning is supported strategically as well as through marketing events and sponsorship activities at home and abroad.

The competition to which BoConcept is exposed is characterised by a number of few major international brands and a vast number of local brands in some markets. In the view of the management, the major global brands competing with BoConcept are:

- Ligne Roset
- B&B Italia
- Roche Bobois
- Natuzzi

A key element in the BoConcept brand is quality. All the group's products undergo quality inspection at all stages of production, and BoConcept staff pay frequent visits to subcontractors to ensure that their level of quality also satisfies the group's requirement that they provide attractive high-quality design.

SUPPLIER RISK

78% of group revenue is sourced from external suppliers in China, Eastern Europe and Denmark. BoConcept attaches a great deal of importance to building and maintaining good and long-standing relationships with its suppliers. This secures the supplier a critical mass which promotes a close integration, which again enables BoConcept to meet its delivery and quality targets without having to invest huge sums in its own production facilities.

The close integration with BoConcept's strategic suppliers, which is handled by sourcing offices in China and Denmark, is key to fulfilling the group's ambitious target for reliability of delivery. The group has secured supplies of goods through single-sourcing contracts and agreements, and of critical goods, or, where it is more expedient, in collaboration with several different suppliers.

DEBTOR RISK

BoConcept's collection is sold globally through approximately 313 brand stores and studios. None of BoConcept's stores or franchisees accounts for more than 3% of group revenue. We make a credit assessment of our franchisees when they first join the chain and follow this with regular assessments in accordance with the group's debtor policy. Where necessary, the group uses bank guarantees or personal guarantees to safeguard its outstanding receivables.

The normalised level of losses on debtors is estimated at approx. 1.0% of group revenue. However, the financial slowdown and uncertainty in recent years has led to more store closures and higher losses and provisions for losses on debtors. Provisions for losses on debtors totalled 3.6% of revenue in the 2013/2014 financial year, primarily due to individual sizeable items and generally higher provisions for losses on debtors in the USA (a tightening of policies). Management expects provisions for losses on debtors relative to group revenue to approach a return to its usual level over the next few years.

BoConcept continually monitors trends in receivables to avoid increases in the number of debtor days. To compensate for recent years' difficult market conditions in Europe and the USA, BoConcept extended the credit period it grants franchisees from the usual 30 days to an average of 52 days in the 2013/2014 financial year.

EMPLOYEES

BoConcept aims to be an attractive workplace for its employees. The group works to improve itself in this respect by creating self-developing, exciting and challenging jobs and working environments and offering competitive employment contracts. This also ensures that BoConcept can attract and retain the skilful key employees it needs to secure its innovative ability in the future.

FINANCIAL RISK

The group has adopted a financial policy which lays down the general framework for financial risk management. The BoConcept Holding finance department is responsible for drafting a risk management procedure: it has been approved by the supervisory board, and its primary objective is to minimise the impact of fluctuations in foreign exchange rates, interest rates and liquidity on the group's financial results.

FOREIGN EXCHANGE RISK

The share of group revenue produced outside Denmark is 95%. This figure is not indicative of the foreign exchange risk since, under the group's purchasing policy, purchasing and sales currencies are matched whenever possible.

The group has net inflows denominated in EUR, GBP, JPY, PLN and SEK, while the major exposure on the outflow side is denominated in CNY and USD.
Foreign exchange risk is managed centrally and is to some extent hedged by means of foreign exchange contracts and option contracts with a maximum term of 12 months and, to a lesser extent, by raising loans in foreign currencies.

The effect on the operating profit (EBIT) of a 5% increase in foreign exchange rates in the principal currencies is shown below, compared with the average foreign exchange rate actualised in the 2013/2014 financial year:

The group's net monetary items that are denominated in foreign currencies are set out in note 29.

(DKK million)	2013/14	2012/13
USD	217	(676)
JPY	2,951	3,008
GBP	2,955	2,604

INTEREST RATE RISK

BoConcept's interest rate risk is primarily related to interest-bearing liabilities. Average interest-bearing debt totalled DKK 128 million at 30 April 2014. The average maturity of debt is 6.6 years, and the overall interest rate sensitivity in the case of a one-percentage-point change in interest rates is calculated to be approximately DKK 1 million on profit before tax.

To manage the interest rate risk on most of BoConcept's debt to mortgage credit institutions, the group has concluded an interest rate swap with a fixed interest rate of 2.0% and a nine-year maturity (see note 29).

LIQUIDITY RISK

The group's financial planning is intended to ensure the best possible capital structure and adequate financial resources while also minimising costs of capital. Liquidity is managed by combining short- and long-term credit facilities.

Unutilised credit facilities amounted to DKK 68 million at the end of the financial year, compared with DKK 93 million the year before. In the light of the group's financial adequacy, no liquidity problems are expected over the next twelve months. The assessment is based on the budget and credit facilities for the next twelve months. Major deviations from the budget assumptions may determine whether the group has adequate liquidity.

INSURANCE

Despite implementing intensive and systematic preventive measures, the risk of losses cannot be completely eliminated. Insurance against industrial accidents, transportation, and business interruption loss combined with all-risk, business and product liability insurance is therefore an integral part of the group's risk management.

The Adelaide chair has a beautiful form and so many options to create your very own version

The insurance schemes employed are adapted to the risk profiles of the individual companies, and these risk profiles are reviewed every year in consultation with professional insurance advisors.

The group may incur product liability in connection with consumer use of its products, but there are no proceedings pending against the company at this time.

IT RISK

BoConcept relies on the group's IT systems to ensure and support efficient processes in the company's marketing, and distribution activities. In addition to continued investments in supporting and developing its IT architecture, BoConcept endeavours to mitigate IT-related risk through back-up systems, firewalls, emergency plans, etc.

ENVIRONMENTAL MATTERS

At our own BoConcept production facility, we have a long-standing tradition for dealing with all safety, health and environmental issues. Pollution from the Ølgod production facility (DK) in the form of smoke, noise and wastewater is negligible. Considerable and continual efforts are made to optimise safety in the workplace from a safety perspective.

BoConcept is committed to compliance with the UN's Global Compact principles and the company's own code of conduct that provide directions for the company's business targets in an ethically responsible manner. To ensure accountability and compliance with national and international environmental standards and legislation, BoConcept has drafted and implemented a code of conduct for environmental and social matters with which the company's own entities and its external suppliers are expected to comply.

'Green accounting' regulations do not apply to group companies.

The mandatory environmental approval is held by the production company.

INTERNAL CONTROLS AND RISK MANAGEMENT IN CONNECTION WITH FINANCIAL REPORTING

BoConcept's internal controls and procedures in connection with financial reporting are integrated into the company's social responsibility statement, which is part of the management review included in the 2013/2014 annual report (as set out in section 107b of the Danish Financial Statements Act). The corporate social responsibility statement is available from the company's website at www.boconcept.com/en-gb/investor-relations/corporate-governance/corporate-social-responsibility-statement.

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Because BoConcept's global strategy is to have a well-balanced and diversified sales structure with stores and sales spread across 60 markets, the company is less dependent on individual markets

OVERVIEW OF MAJOR TYPES OF RISK THAT MAY AFFECT BOCONCEPT'S OPERATIONS AND EARNINGS		
	Risk	**Cover**
Macro-economic risk	Regional GNP trends	• Diversified global sales structure in more than 60 markets • Cost control and efficiency throughout the value chain
	Regional consumer spending trends	
	Regional consumer confidence trends	
	Developments in the number of home sales	
Market risk	Marketability of collection	• Continual analyses of markets and target groups • Annual update of principal collection in September and new products launch in March
	Image and brand	• Proactive development and protection of brand • Established CSR profile • Massive and centrally controlled marketing and communications platform
	Differentiation	• Design • Market surveillance • Marketing
	Competition on price	• Design • Maintain position at high end of medium market
Operational risk	Quality	• Own quality inspectors with suppliers
	Reliability of delivery	• Replacing a maximum of 25% of the collection every year (however 60% of the 2015 collection) • Secure critical mass of suppliers • More suppliers for all main groups
	Competitiveness of own production	• Lean philosophy • Tight cost controlling
	Stock management	• Prognoses and tight controlling of discontinuances
	Earnings capacity of franchisees	• Attractive franchise model • High earnings on own products • Operational support • Financing assistance in connection with store opening
	Access to skilled labour	• Attractive salary and wage packages • Further management training programmes • E-learning
Financial risk	Capitalisation	• Maintaining financial latitude to support growth strategy
	Currency	• Part hedging through forward and options contracts • New loans in foreign currencies • Production and sales in the same currency
	Interest rate trend	• Interest rate instruments are used to hedge debt
	Liquidity	• Access to cash reserves and drawing facilities

MANAGEMENT

TO SAFEGUARD BOCONCEPT'S LONG-TERM INTERESTS AND INCREASE VALUE CREATION FOR ALL THE COMPANY'S STAKEHOLDERS, THE SUPERVISORY AND EXECUTIVE BOARDS MUST SATISFY THEMSELVES THAT THE COMPANY IS ALWAYS MANAGED IN ACCORDANCE WITH PRACTICAL AND SOUND PRINCIPLES.

The basis of good corporate governance at BoConcept and its subsidiaries is the company's articles of association, values and policies as well as relevant Danish and international legislation on and 'Rules related to the issuing of shares' on NASDAQ OMX Copenhagen.

CORPORATE GOVERNANCE RECOMMENDATIONS

BoConcept's supervisory and executive boards regularly review the company's policies and procedures to ensure that the group is managed in accordance with good corporate governance principles and that it upholds high ethical standards.

BoConcept has adopted the recommendations issued by the Danish Committee on Corporate Governance, which are posted at www.corporategovernance.dk. The supervisory board regularly considers the issue of how these recommendations can help ensure a maximum creation of value for the company's shareholders. Once a year, the supervisory board reviews the recommendations and the extent to which BoConcept has implemented them. It is the considered view of the supervisory board that the group complies with the fundamentals of the corporate governance recommendations issued by the Committee and adopted by NASDAQ OMX Copenhagen.

BoConcept has presented its views and comments on the recommendations as such in the company's statutory corporate social responsibility statement as specified in section 107b of the Danish Financial Statements Act, which is available at the company's website, www.boconcept.com/en-gb/investor-relations/corporate-governance/corporate-social-responsibility-statement.

The mandatory corporate social responsibility statement, cf. section 107b of the Danish Financial Statements Act is an integral part of the management review included in the company's 2013/2014 annual report and covers the same period as the report, viz. 1 May 2013 to 30 April 2014.

DUTIES OF THE SUPERVISORY AND EXECUTIVE BOARDS

The duties of the supervisory board are described in the rules of procedure and consist of determining the company's targets, policies and fields of activity and deciding on matters of an exceptional nature or key importance. In addition, the supervisory board approves the executive board's business strategies and action plans and ensures that these are complied with and reviewed when necessary.

Furthermore, the supervisory board oversees the organisation of the company and the management work of the executive board and ensures that BoConcept is operated properly and in compliance with the company's articles of association, relevant guidelines, policies as well as current legislation and regulations. The supervisory board stipulates guidelines for the allocation of the duties of the supervisory and executive boards, but takes no part in the day-to-day management of the company.

The supervisory board held six ordinary meetings in the 2013/2014 financial year and took part in the company's annual strategy seminar together with the executive board, which is considered normal meeting activity.

The BoConcept supervisory board hires members of the company's executive board and stipulates the board's working conditions and duties. The supervisory board holds the executive board responsible for ensuring that the day-to-day management of BoConcept and its affiliates is conducted in a businesslike and legally responsible manner.

Once a year, the chairman of the supervisory board evaluates the work of the supervisory board, the chairman and each member of the board. This evaluation is based on a questionnaire addressing criteria such as composition, qualifications, collaboration, etc., and the objective is to assess and evaluate the results achieved over the past year. The results are presented to the supervisory board after the chairman has reviewed the evaluation together with each individual board member. The evaluation for 2013/2014 has not resulted in a change of processes and procedures.

At a formal annual meeting the chairman of the board evaluates the results presented by as well as the cooperation with the executive board according to a number of set criteria.

SUPERVISORY AND EXECUTIVE BOARDS

The shareholders in general meeting, the body that has the ultimate authority in BoConcept, elects a supervisory board made up of three to nine members, plus representatives elected by employees. The board elects its own chair and possibly one or two deputy chairpersons.

The current supervisory board consists of four members elected by the shareholders in general meeting and two representatives elected by the employees.

Supervisory board members elected by the shareholders in general meeting serve for terms of one year at the time, and supervisory board members elected by the employees serve for terms of four years at the time. The articles of association of BoConcept Holding stipulate no age limits for board members. The supervisory board takes the view that the experience and qualifications of a board member are more important than that person's age.

In view of the company's size, the supervisory board has decided not to appoint separate committees but instead to allow the full supervisory board to perform the tasks described in section 31 of the Danish Act on Approved Auditors and Audit Firms. The duties of the audit committee as set out in section 31 of the Danish Act on Approved Auditors and Audit Firms are thus fulfilled by the entire board.

A description of the different board members' competencies in relation to the duties of the BoConcept Holding board appears from pages 32-33 in the annual report. The supervisory board takes the view that its members represent a wide range and depth of skills in their approach to their work on the board. For a full description of the competencies the company wants its supervisory board to possess, please visit the company's website, which also sets out the rules for the election of employee representatives to the board. For a full description of the competencies the company wants its supervisory board to possess, please visit the company's website.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Unless a special majority is required in pursuance of the Danish Companies Act or the articles of association, the general meeting of shareholders shall adopt amendments to the articles of association and shall determine all other decisions by a simple majority of votes.

REMUNERATION POLICY

BoConcept's remuneration policy is intended to ensure that BoConcept is able to attract and retain individuals who qualify for membership of the company's supervisory and executive boards as well as for other management positions and that the interests of these individuals are aligned with the interests of the company's shareholders. The company does so by ensuring that remuneration is competitive and fair compared with similar listed and internationally operated companies, based on long-term creation of value.

Members of the company's supervisory board, both those elected by the shareholders in general meeting and the employee representatives, are paid a fixed annual base fee based on the nature and scope of the board work to be performed and the level of compensation paid in comparable listed companies. The chairman of the supervisory board receives triple the base fee; the deputy chairman receives 1.5 times the base fee.

Members of the supervisory board may receive separate compensation for specific ad hoc work beyond the usual duties as set out in the rules of procedure. As an example of this, the supervisory board has concluded a separate agreement with Viggo Mølholm for certain consultancy services in the fields of design and concept development that are not related to the work of the supervisory board. The agreement will be renegotiated with the deputy chairman once a year.

The total remuneration of the executive board of BoConcept is composed of up to three fixed and two variable elements:

Fixed elements:
- A fixed base salary
- Non-monetary benefits (company car, telephone, newspapers)
- Defined contribution plans

Variable elements
- Incentive schemes not based on shares
- Long-term incentive scheme

The total remuneration of the executive board is determined once a year by the chairmanship of the supervisory board with due regard to the responsibility assumed and the market level of compensation, as well as the past performance of the executive board and the prospects for the company's development in the coming year.

The variable element of the executive board's compensation package is a bonus scheme based on the fulfilment of specific targets set by the supervisory board. The package is based both on the company's earnings and on individual circumstances. The bonus granted cannot exceed 50% of the fixed annual base salary of the recipient.

Other elements of the variable compensation package will normally be long-term incentive schemes such as options and/or warrants intended to help motivate members of the executive board and other executives to focus on performance and value creation in a manner consistent with the interests of the company's shareholders. The supervisory board expects to introduce a new long-term incentive scheme for members of the executive board and other executives in the 2014/2015 financial year.

There are no special notices of termination or severance agreements for members of the executive board. An executive board member must be given 12 months' notice of termination by BoConcept.

The company's remuneration policy was approved at its most recent annual general meeting, which was held in August 2012. Further details about the company's remuneration policy and the current incentive scheme may be found on the company's website: www.boconcept.com/en-gb/investor-relations/remuneration-policy

DIVERSITY A PREREQUISITE FOR SUCCESS

As an international enterprise, BoConcept has for a number of years been actively promoting diversity throughout the organisation in its endeavour to be an attractive workplace, ensure that customers' needs are understood and met, encourage the development of talent and consolidate its corporate culture, while laying the foundations for a successful roll-out of its global business model.

With this in mind, BoConcept drafted a diversity policy in 2013 to sustain these efforts and emphasise diversity throughout the group. The policy explains BoConcept's views and initiatives on diversity and sets targets for the percentage of women on the supervisory board and other levels of management.

	2013/14
Women employees at BoConcept A/S and its subsidiaries	293 out of 627 (46%)
Women in senior and middle management positions at BoConcept A/S and its subsidiaries	24 out of 59 (41%)
Women on the executive board of BoConcept Holding A/S	0 out of 2 (0%)
Women members of the supervisory board of BoConcept Holding A/S, elected by the shareholders in general meeting	0 out of 4 (0%)

We are aiming for a percentage of women in senior and middle management that reflects the percentage of women in the whole organisation, and our target is to increase the ratio of women on our supervisory and executive boards from zero today to at least 20% by the end of 2017.

Our diversity policy and report are available from the company's website under www.boconcept.com/en-gb/boconcept/about-boconcept/diversity-policy. The report constitutes the statutory diversity report for 2013/2014, which has been prepared in accordance with section 99 b of the Danish Financial Statements Act and is part of and covers the same period as BoConcept's 2013/2014 annual report.

INVESTOR RELATIONS

BOCONCEPT'S OVERALL GOAL IS TO CONTINUALLY CREATE GREATER VALUE AND AN ATTRACTIVE RETURN OF INVESTMENT FOR THE SHAREHOLDERS THROUGH A NON-CAPITAL INTENSIVE BUSINESS MODEL.

INVESTOR RELATIONS POLICY

By having an open and constructive dialogue BoConcept ensures a high level of disclosure of relevant, precise and timely information on the group's business base and development vis-à-vis the share market and other stakeholders on a uniform basis. The management thus seeks to increase the liquidity in the company share and allow a fair and effective price formation that at all times reflects the company's ability to create value for its shareholders.

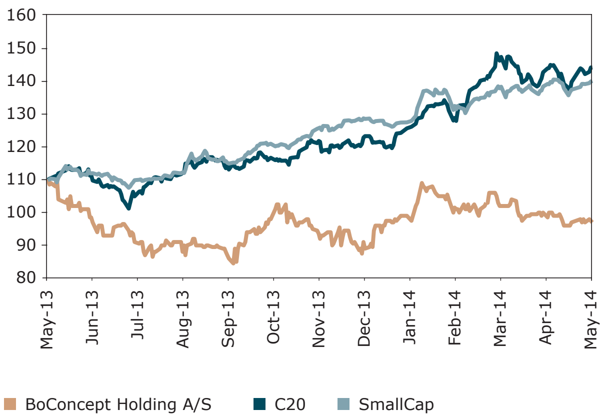
Any information affecting prices and other important information relating to BoConcept is first published via NASDAQ OMX Copenhagen, and immediately afterwards, the same information is distributed to the media, shareholders, investors, analysts and other stakeholders who have signed up for the company's investor service at the website www.boconcept.com/en-gb/investor-relations/irserviceandcontact.

In addition to the annual report and the printed financial statements BoConcept Holding publishes interim financial reports as well as announcements relating to important measures in connection with the company's strategic, operational and financial development. All news will be posted on the company's website immediately after publication.

Contact to shareholders, potential investors and share analysts is handled by:
Hans Barslund, CFO
E-mail: hb@boconcept.com / Telephone: (+45) 70 13 13 66

For additional relevant information concerning BoConcept Holding, investors are referred to the company's website, www.boconcept.com.

Graph showing the share price development in BoConcept, C20 and SmallCap indices from 1 May 2013 to 30 April 2014



THE SHARE

BoConcept Holding's share capital consists of class A- and class B-shares. The class B-shares are listed by NASDAQ OMX Copenhagen in the SmallCap segment and traded under ID code DK00600050201.

The price of BoConcept Holding's class B-share was DKK 110 at 1 May 2013, and DKK 97 at 30 April 2014, the end of the 2013/2014 financial year.

The total volume of trade in class B-shares in the 2013/2014 financial year totalled about DKK 58 million, corresponding to an average daily trade volume of roughly DKK 255,000. The trading activities as well as the liquidity in the share have thus increased significantly compared to the previous financial year.

SHARE CAPITAL AND OWNERSHIP

The share capital of BoConcept Holding amounts to nominally DKK 28,621,190 divided into 240,000 class A-shares of a nominal value of DKK 10 carrying ten votes each as well as 2,622,119 class B-shares of a nominal value of DKK 10 carrying one vote each. Apart from the differentiation in votes, neither share class carries any special preferences over the other.

SHARE DATA	Class A	Class B	Total
Number of shares	240,000	2,622,119	2,862,119
Nominal value per share	DKK 10	DKK 10	DKK 10
Number of votes (stemmeandel,%)	2,400,000 (47.8%)	2,622,119 (52.2%)	5,022,119 (100%)

The number of registered shareholders amounted to 1,264 at 30 April 2014 compared with 1,294 the year before. The following shareholders have registered a shareholding in excess of 5% of the company's total share capital in pursuance of section 29 of the Danish Securities Trading Act. See table on opposite page.

Until the next annual general meeting, the supervisory board has authority to arrange for loans to be raised in return for the issue of convertible bonds, waiving any rights of pre-emption held by existing shareholders. The supervisory board will stipulate the terms and conditions governing such conversion. In connection with the conversion, the supervisory board is also authorised to increase the share capital by issuing new class B-shares for a period of five years after the issue of convertible bonds.

Pursuant to section 198 of the Danish Companies Act, the supervisory board of BoConcept Holding is authorised to acquire treasury shares for up to 10% of the company's total share capital until the company's next annual general meeting.

COMPOSITION OF SHAREHOLDERS

	Number of class A-shares	Number of class B-shares	Number of shares	Capital %	Votes %
BoConcept Invest APS	240,000	272,960	512,960	17.92	53.22
SmallCap Danmark A/S		346,536	346,536	12.11	6.90
Mitiska B.V., Brussel, Belgium		159,350	159,350	5.57	3.17
Kirk & Thorsen Invest A/S		143,850	143,850	5.03	2.86
Other shareholders		1,688,023	1,688,023	58.98	33.62
Total excluding treasury shares	240,000	2,610,719	2,849,419	99.56	99.75
Treasury shares		11,400	11,400	0.39	0.23
Total	240,000	2,622,119	2,862,119	100.00	100.00

At 30 April 2014 the company's portfolio of treasury shares amounted to 11,400 shares, corresponding to 0.4% of the share capital. The company's holding of treasury shares is recognised at zero value.

BoConcept Holding's register of shareholders is kept by:
VP Securities A/S
Weidekampsgade 14
PO Box 4040
DK-2300 Copenhagen S

DIVIDEND POLICY AND DIVIDEND FOR THE 2013/2014 FINANCIAL YEAR

It is the declared dividend policy of BoConcept Holding that shareholders should obtain a return on their investment in the form of price increases and dividend that exceeds a risk-free investment in bonds. Dividend must be distributed with due regard to the necessary consolidation of the equity and the company's profit after tax.

The supervisory board of BoConcept regularly reviews the company's share and capital structure and has set the company a long-term equity ratio target of 40-50% of the balance sheet total. Subject to an equity ratio that is at least on a par with our long-term objective and provided that cash flows and liquidity are not invested in organic growth or acquisitions, excess liquidity after tax from any one year will be disbursed to the company's shareholders, either as dividends or through share buy-back programmes or as combinations thereof. In deciding on the pay-back method, the supervisory board will apply the best interests of the company and its shareholders.

At balance sheet date the equity ratio was 36.1%, which is less than the long-term goal for the capital structure. Against this background the supervisory board recommends to the company in general meeting that no dividend is paid for the 2013/2014 financial year.

ANALYSTS AND INVESTOR MEETINGS

BoConcept is in contact with investors and share analysts on an ongoing basis. Presentations, meetings, telephone conferences and road shows with discussions on strategy and risks are held on a regular basis at home as well as abroad.
BoConcept holds no investor meetings and does not comment on financial results, forecasts, market conditions etc. for a period of three weeks before any publication of its financial results.

At 27 June 2014 BoConcept was being monitored by the following share analyst:

Danske Markets Equities
Poul Ernst Jessen

General meetings

The annual general meeting of BoConcept Holding will be held on 27 August 2014 at 4 p.m. at the company's head office at Mørupvej 16, DK-7400 Herning.

> ”
> The supervisory board recommends to the shareholders in general meeting that no dividends be distributed for the 2013/2014 financial year

Stock exchange announcements

In the past financial year the company has published the following stock exchange announcements:

STOCK EXCHANGE ANNOUNCEMENTS		
08.05.2013	Ann. 4/13	Downward adjustment of forecast, cost-cutting measures and organisational restructuring
26.06.2013	Ann. 5/13	Financial report 2012/13
08.07.2013	Ann. 6/13	Finance calendar - update
07.08.2013		Notice convening the annual general meeting
29.08.2013	Ann. 7/13	Interim financial report, Q1 2013/14
02.09.2013	Ann. 8/13	Revised articles of association
10.10.2013	Ann. 9/13	Change in the supervisory board
10.10.2013		Notice convening extraordinary general meeting
01.11.2013		Minutes of extraordinary general meeting
05.12.2013	Ann. 10/13	Interim financial report, Q2 2013/14
06.12.2013	Ann. 11/13	Insiders' dealing
02.01.2014	Ann. 1/14	Insiders' dealing
03.01.2014	Ann. 2/14	Major shareholder announcement
22.01.2014	Ann. 3/14	Finance calendar - update
10.03.2014	Ann. 4/14	Interim financial report, Q3 2013/14
17.03.2014	Ann. 5/14	Insiders' dealing
25.03.2014	Ann. 6/14	Insiders' dealing

FINANCIAL CALENDAR FOR THE 2014/2015 FINANCIAL YEAR	
27.08.2014:	Interim financial report, first quarter 2014/2015
04.12.2014:	Interim financial report, second quarter 2014/2015
05.03.2015:	Interim financial report, third quarter 2014/2015

CORPORATE SOCIAL RESPONSIBILITY

OUR COMMITMENT TO ACT RESPONSIBLY IN RELATION TO PEOPLE, THE ENVIRONMENT AND SOCIAL CONDITIONS IS A KEY ELEMENT OF BOCONCEPT'S GLOBAL BRAND. THE OBJECTIVE OF THE GROUP'S CORPORATE SOCIAL RESPONSIBILITY POLICY IS TO STRIKE AND MAINTAIN A HEALTHY BALANCE BETWEEN ENVIRONMENTAL AND BUSINESS INTERESTS AND DETERMINE AN ENVIRONMENTAL CODE OF CONDUCT FOR THE COMPANY, ITS EMPLOYEES AND SUPPLIERS.

By adhering to the group's standards of ethics and acting in a sustainable manner locally and globally, BoConcept endeavours to uphold human rights and act in the most environmentally responsible way while also promoting high ethical standards and corporate social responsibility throughout the group. With better branding, risk management and quality control, this work also helps optimise our competitiveness and operations. That's why corporate social responsibility (CSR) is an integrated strategic management tool at BoConcept.

FOCUS AREAS AND ACTIVITIES RELATED TO ENVIRONMENT AND CLIMATE

BoConcept became a signatory to the UN Global Compact in 2009, so the group's CSR policy, which forms the framework for the group's initiatives and priorities in this area, is based on the ten principles of the Global Compact in the areas of human rights, labour, environment and anti-corruption.

The group's CSR strategy is divided into two focus areas: ensuring that our suppliers' production processes are environmentally friendly and comply with safety procedures and minimising CO_2 emissions from transportation and logistics.

BoConcept's suppliers must adhere to the company's code of conduct. Based on Danish and international standards of quality, environmental standards and recommended work routines, our code of conduct is aimed at ensuring that BoConcept's products are manufactured in a way that safeguards the interests of workers and has a minimal adverse impact on the environment. In the 2013/2014 financial year, BoConcept focused on reducing the number of chemicals used in its production processes – especially in its upholstered furniture production process – and incorporated CSR and environmental audits into its supplier visits in accordance with EU's REACH declaration. In consultation with its European upholstery supplier, BoConcept has also been working hard to reduce glue waste and introduced new packaging methods, which reduced glue waste by 15% and its use of cardboard by more than 25%. In the financial year ahead, BoConcept will be focusing on improving the CSR and environmental reporting based on annual action plans from its suppliers.

Transport and logistics are crucial elements in the worldwide distribution of the BoConcept collection. An efficient supply chain is a key element, both in optimising productivity and in reducing the CO_2 emissions generated by the company directly or indirectly. We continued the huge task of mapping and documenting CO_2 emissions related to sourcing and sales in the 2013/2014 financial year. The total CO_2 emission increased by 17.1% compared to the previous year - primarily due to increased sales to markets using sea transport corridors. Further, focus has been on optimising development processes and warehouses. We will continue these efforts in the year ahead, concentrating on the introduction of a reporting on the CO_2 emission related to European road transport.

For a detailed review of BoConcept's operational initiatives with respect to corporate social responsibility in the 2013/2014 financial year and an introduction to initiatives, objectives and expectations for the future, please see the progress report BoConcept submitted to the UN Global Compact. BoConcept is including the progress report in its corporate social responsibility statement; as specified in section 99 a of the Danish Financial Statements Act. The progress report is available from the company's website at www.boconcept.com/da-dk/boconcept/corporate-responsibility/global-compact and is part of and covers the same period as BoConcept's 2013/2014 annual report.

PEOPLE OUR MOST VALUABLE ASSET

BoConcept had 627 staff at the end of April 2014, compared with 586 at the same time last year. Of the total headcount, 343 were employed in Denmark.

BoConcept's management style is value-based, and the company has developed a proactive HR strategy to support its business base. HR is visible at all levels of the organisation since, to a large extent, BoConcept's development and growth depends on people and the skills they apply and initiatives they take towards creating solid results, using our unique business concept.

By providing an agreeable physical and mental working environment, BoConcept hopes to continue to be perceived as a desirable workplace that is always able to recruit and retain the best-qualified and most highly skilled employees.

Performance and development through Breakthrough Leadership

BoConcept implemented a new performance-oriented management strategy 'Breakthrough Leadership', throughout its organisation over the course of 2013. With a far more dynamic and performance-oriented management style and a management that sets clear goals for the company, our focus is on optimising all our processes and removing administrative 'noise' so we can concentrate on sales, customers and efficiency. The strategy thus forms the basis for an entirely new and considerably more ambitious framework for realising the full potential of our staff members and stores.

Breakthrough Leadership means constantly training and motivating all our employees and giving them feedback on the basis of specific personal development and sales plans. All members of senior and middle management, franchisees and store managers at BoConcept will be following a fixed training plan aimed at helping them to translate strategy into specific sales-optimising initiatives and providing them with tools to do so through coaching, planning and follow-up.

Metallic colours are back.
Here the Lugano sideboard features legs in copper

SUPERVISORY AND EXECUTIVE BOARDS

SUPERVISORY BOARD

Viggo Mølholm (chairman)
Born 1952, President & CEO
in BoConcept since 1997

Other directorships:
Ball Group A/S (Denmark), Brands4kids A/S (Denmark), Leander A/S (Denmark), FCM Holding A/S (Denmark), Mads Eg Damgaards Familiefond (Denmark), Karup Partners A/S (Denmark)

Independency: Does not comply with the Committee on Corporate Governance's definition of the concept independency due to previous employment with BoConcept A/S.

Viggo Mølholm has been employed with associated companies within BoConcept Holding since 1977 – in the period 1997-2012 as CEO. Through his leadership, BoConcept has gone through a distinctive transformation from furniture producer to global retail-oriented concept holder within lifestyle furniture. In addition to his management experience within retailing, Viggo possesses core competencies within furniture industry, concept development and design.

Henrik Burkal
Born 1967, joined the supervisory
board of BoConcept in 2013

Other directorships:
REMA Grønt A/S (Denmark), REMA 1000 Franchise AS (Norway), REMA Distribution AS (Norway), REMA Ejendom Danmark A/S (Denmark), DSK (Denmark), REMA 1000 AS (Norway)

Independency: Complies with the Committee on Corporate Governance's definition of the concept independency.

Henrik Burkal, Managing Director of Rema 1000 Danmark A/S, has during his career held management positions with NETTO and CCI Europe and has for years dealt with development of international retail concepts and organisations – strategically as well as operationally. His special competencies include franchising, planning and implementation of growth strategies, efficiency improvements as well as value-based management.

Peter Thorsen (deputy chairman)
Born 1966, joined the supervisory
board of BoConcept in 2013

Other directorships:
Biblioteksmedier A/S (Denmark), Modulex A/S (Denmark), Ravn Arkitektur A/S (Denmark), Starco Europe A/S (Denmark), TK Development A/S (Denmark), EBP Holding A/S (Denmark), Kirk & Thorsen A/S (Denmark), Kirk & Thorsen Invest A/S (Denmark), Ny Droob ApS (Denmark), Rotation A/S (Denmark), SE BLUE RENEWABLES K/S (Denmark), SE BLUE RENEWABLES DK P/S (Denmark), SE BLUE RENEWABLES DK 2 P/S (Denmark), SE BLUE RENEWABLES DK 3 P/S (Denmark), SE BLUE RENEWABLES DK 4 P/S (Denmark), EBP Ejendomme A/S (Denmark), EBP Holding A/S (Denmark), Modulex Holding ApS (Denmark), SE BLUE RENEWABLES GP ApS (Denmark), SE BLUE RENEWABLES GP DK ApS (Denmark), SE BLUE RENEWABLES DK GP2 ApS (Denmark), SE BLUE RENEWABLES DK GP3 ApS (Denmark), SE BLUE RENEWABLES DK GP4 ApS (Denmark)

Independency: Complies with the Committee on Corporate Governance's definition of the concept independency.

Peter Thorsen, Managing Director Kirk & Thorsen A/S, has held management positions with Louis Poulsen, Bison A/S, Basta and Marwi International. Peter deals thoroughly with strategic management and business development and has special core competencies within accounting and finance as well as risk management.

Preben Bager
Born 1948, joined the supervisory
board of BoConcept in 2013

Other directorships:
Jensens Bøfhus (Denmark)

Independency: Complies with the Committee on Corporate Governance's definition of the concept independency.

During his career Preben Bager has held management positions with Nobia AB, Magnet Ltd. and HTH Køkkener A/S. His special competencies include international store operations and sourcing, development of global and regional brands as well as marketing.

Joan Bjørnholdt Nielsen (employee representative)
Born 1963, joined the supervisory board of BoConcept in 2011

Other directorships: None.

Independency: Does not comply with the Committee on Corporate Governance's definition of the concept independency due to employment with BoConcept A/S.

Since 2002, Joan Bjørnholdt Nielsen has been employed as Retail Operations Support Manager. Further, she has been responsible for the implementation and support of various systems used by the BoConcept stores. Before coming to BoConcept, Joan was employed with Inbodan A/S as IT Manager.

Poul Brændgaard (employee representative)
Born 1961, joined the supervisory board of BoConcept in 2011

Other directorships: None.

Independency: Does not comply with the Committee on Corporate Governance's definition of the concept independency due to employment with BoConcept A/S.

Poul Brændgaard has been employed with BoConcept since 1991 e.g. as Department Manager in Ølgod. Before this, he was employed with Bema Industrilakering A/S as Foreman.

EXECUTIVE BOARD

Torben Paulin (CEO)
Born 1965, employed in BoConcept since 1994

Other directorships:
Olitec A/S (Denmark).

Hans Barslund (CFO)
Born 1957, Vice President & CFO in BoConcept since 2002

Other directorships:
Compo Tech A/S (Denmark).

BOCONCEPT HOLDING SHARES HELD BY THE SUPERVISORY AND THE EXECUTIVE BOARDS

	Shareholding 1 May 2013	Additions 2013/2014	Disposals 2013/2014	Shareholding 30 April 2014	Market value DKK'000
Supervisory board					
Viggo Mølholm*, chairman	357,192	0	0	357,192	34,648
Peter Thorsen**, deputy chairman	0	143,850	0	143,850	13,953
Henrik Burkal	0	0	0	0	0
Preben Bager	0	5,184	0	5,184	503
Joan Bjørnholdt Nielsen	1,123	50	0	1,173	114
Poul Brændgaard	502	0	0	502	49
Executive board					
Torben Paulin	75,812	0	0	75,812	7,354
Hans Barslund	67,784	0	0	67,784	6,575

* In the shareholding of Viggo Mølholm, half of the shares owned by BoConcept Invest ApS has been included, Viggo Mølholm possesses 50% of this share capital.
** The shareholding of Peter Thorsen is owned by Kirk & Thorsen Invest A/S in which Peter Thorsen is part owner, managing director and board member.

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 2013/2014.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Financial Statements of the parent company, BoConcept Holding A/S, are prepared in accordance with the Danish Financial Statements Act. Moreover, the consolidated financial statements and the parent company's financial statements ('the Financial Statements') are prepared in accordance with additional Danish disclosure requirements for listed companies. The management report is also prepared in accordance with Danish disclosure requirements for listed companies.

In our opinion, the financial statements give a true and fair view of the financial position at 30 April 2014 of the Group and the parent company and of the results of the Group and parent company's operations and consolidated cash flows for the financial year 1 May 2013-30 April 2014.

In our opinion, the management report includes a true and fair account of the development in the operations and financial circumstances of the Group and the parent company, of the results for the year and of the financial position of the Group and the parent company as well as a description of the most significant risks and elements of uncertainty facing the Group and the parent company.

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

Herning, 27 June 2014

EXECUTIVE BOARD

Torben Paulin CEO	Hans Barslund CFO

SUPERVISORY BOARD

Viggo Mølholm Chairman	Peter Thorsen Deputy chairman	Preben Bager
Henrik Burkal	Joan Bjørnholdt Nielsen*	Poul Brændgaard*

* Employee representative

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BoConcept Holding A/S

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of BoConcept Holding A/S for the financial year 1 May 2013 to 30 April 2014, which comprise income statement, balance sheet, statement if change in equity, cash flow statement and notes, including summary of significant accounting policies for both the Group and the Parent Company, as well as statement of comprehensive income for the Group. The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Parent Company Financial Statements are prepared under the Danish Financial Statements Act. Moreover, the Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with Danish disclosure requirements for listed companies.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for preparing Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and Danish disclosure requirements for listed companies, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Parent Company Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 30 April 2014 and of the results of the Group's operations and cash flows for the financial year 1 May 2013 to 30 April 2014 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 30 April 2014 and of the results of the Parent Company's operations and cash flows for the financial year 1 May 2013–30 April 2014 in accordance with the Danish Financial Statements Act and Danish disclosure requirements for listed companies.

STATEMENT ON MANAGEMENT'S REVIEW

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements.
On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Herning, 27 June 2014

PRICEWATERHOUSECOOPERS, STATSAUTORISERET REVISIONSPARTNERSELSKAB

Claus Lindholm Jacobsen State Authorised Public Accountant	Henrik Skjøtt Sørensen State Authorised Public Accountant

ACCOUNTING POLICIES APPLIED

The consolidated financial statements for the period 1 May to 30 April have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. Further, the annual report has been prepared in accordance with the additional Danish disclosure requirements for annual reports of listed companies cf. provisions of the Danish Financial Statements Act to annual reports of listed companies, the Danish Financial Statements Act and the IFRS order issued in pursuance of the Danish Financial Statements Act.

For the group, additional Danish disclosure requirements for annual reports are stipulated in accordance with the IFRS order issued in pursuance of the Danish Financial Statements Act and NASDAQ OMX Copenhagen. For the parent company, additional Danish disclosure requirements for annual reports are stipulated in accordance with the Danish Financial Statements Act and NASDAQ OMX Copenhagen.

Basis of preparation

The annual report has been prepared under the historical cost method, except for the derivative financial instruments for hedging purposes, recognised at fair value.

Non-current assets and groups of assets held for sale are measured at the lower of carrying amount prior to the reclassification and fair value less costs to sell.

The accounting policies as described below have been applied consistently over the financial year and in respect of the comparative figures.

Some reclassifications have been made in the income statement and the balance sheet which will neither affect the result nor the equity. Except from this the accounting policies remain unchanged from the previous year with the exception of the implementation of the new accounting standards specified below.

The annual report is presented in DKK 000.

Implementation of new financial reporting standards

No new standards or interpretations of importance to net profit and equity were implemented in 2013/2014.

A description of new standards and interpretations that are not yet effective is included in note 30 to the consolidated accounts.

Consolidated financial statements and business combinations

The consolidated financial statements include the parent, BoConcept Holding A/S, as well as subsidiaries and enterprises in which BoConcept Holding holds more than 50 per cent of the votes, directly or indirectly, or in any other way exercises a controlling influence (subsidiaries). BoConcept Holding and the subsidiaries are collectively referred to as the group. Please refer to page 11 for the group chart.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements by consolidating accounting items of a similar nature and subsequently eliminating intra-group income and expenses, shareholdings, intra-group accounts and dividends as well as unrealised gains and losses on transactions between the consolidated enterprises. The consolidated financial statements have been prepared in compliance with the accounting policies applicable to the BoConcept group.

The acquisition of new enterprises is accounted for under the purchase method. For acquisitions made after 1 July 2009, cost is determined as the fair value of the acquired assets, liabilities taken over and shares issued. Cost includes the fair value of any earn-outs. Acquisition costs are charged to the period in which they are incurred.

On initial recognition, identifiable assets, liabilities and contingent liabilities that have been acquired or taken over in connection with a business combination are recognised at their fair values at the time of acquisition. Any positive differences between the cost and the fair value of the group's share of the identifiable net assets acquired are recognised as goodwill.

New acquisitions or enterprises which have been sold or closed down are recognised in the consolidated income statement from the date of acquisition or up to the date of disposal. Any proceeds or losses compared with the carrying amount at the time of disposal are charged to the income statement upon divestment where control of the subsidiary is relinquished at the same time.

Comparative figures are not restated to take into account enterprises which are newly acquired, sold or closed down. However, comparative figures relating to the income statement are restated for discontinued operations.

Goodwill from acquired enterprises may, due to the measurement of net assets, be adjusted for up to one year after the date of acquisition where the goodwill has been determined on a preliminary basis upon initial recognition.

In the consolidated financial statements the accounting items of the subsidiaries are recognised in full.

Leasing

Leases where all the significant risks and rewards of ownership are transferred to the company (finance leases) are recognised at the time for the start of the leasing contract in the balance sheet at the fair value of the activity or the present value of the minimum lease payment, whichever is the lower, determined on the basis of the internal rate of interest of the lease agreement or a discount rate that is an approximation thereof. Assets under finance leases are written down and off according to the same accounting policies as the group's other non-current assets.

The capitalised residual commitment under the lease is recognised as a liability in the balance sheet, and the interest portion of the lease payment is charged to the income statement as it is incurred.

All other leases, including rent agreements, are considered operating leases. Payments under operating leases are recognised on a straight line basis in the income statement over the term of the lease.

Foreign currency translation

The group fixes a functional currency for each of the reporting enterprises. The functional currency is the currency which is applied in the primary economic environment in which the individual reporting unit operates. Transactions denominated in currencies other than the functional currency are foreign currency transactions.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing at the transaction date. Any exchange differences between the rate prevailing at the transaction date and the rate prevailing at the date of settlement on receivables, payables and other monetary items are taken to the income statement as financial items.

Receivables, debt and other monetary items in foreign currencies are converted at the exchange rate prevailing at the balance sheet date. The difference between the rate prevailing at the balance sheet date and the rate prevailing at the time when the receivable or payable item arose is included in the income statement under financial income and expenses.

On recognition in the consolidated financial statements of enterprises with a functional currency other than Danish kroner the income statements of such enterprises are translated to the rate prevailing at the transaction date, and the balance sheet items are translated to the rate prevailing at the balance sheet date. An average exchange rate for the month is used as the exchange rate at the transaction date to the extent that this does not significantly distort the presentation of the underlying transactions. Foreign exchange differences arising on translation of the opening balance of the equity of such enterprises at the exchange rates prevailing at the balance sheet date and on translation of the income statements from the exchange rates at the transaction date to the exchange rates at the balance sheet date are recognised in other comprehensive income and classified in equity under a separate translation reserve.

Derivative financial instruments

Derivative financial instruments are initially and subsequently recognised at fair value in the balance sheet. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively, and set-off of positive and negative values is only made when the company has the right and the intention to settle several financial instruments net. Fair values of derivative financial instruments are calculated on the basis of current market data and generally accepted valuation methods.

Changes in the portion of the fair value of derivative financial instruments designated as and qualifying as a cash flow hedge are recognised other comprehensive income and classified under a separate hedging reserve in equity. Once the hedged transaction is realised, gains or losses incidental to such hedging transactions are transferred from the equity and recognised with the hedged item.

For derivative financial instruments which do not qualify as hedging instruments, any changes in fair value are recognised in the income statement under financial income and expenses.

Share-based payment

The value of services to employees received as consideration for options allotted is measured at the fair value of the options allotted. The value of other services which are settled with the company's equity instruments is determined on the basis of the fair values of the services received unless the fair value cannot be reliably measured.

For equity-settled share-based payment arrangements allotted to employees, the share options are measured at the fair value at the allotment date and recognised in the income statement under staff costs over the vesting period. The counter item is recognised directly in equity.

On initial recognition of the share options the company estimates the number of options it expects to vest in the staff. That estimate is subsequently revised for changes in the number of options it expects to vest. Accordingly, recognition is based on the number of options ultimately vested.

The fair value of options allotted is estimated using the Black-Scholes formula.

Proceeds from the sale of treasury shares and issue of shares respectively in BoConcept Holding in connection with the exercise of share options are recognised directly in equity.

Employee shares

Where BoConcept staff are given the opportunity to subscribe for shares at a price which is below the market price, the benefit element is recognised as a cost item under staff costs. The counter item is recognised directly in equity. At the time of subscription the benefit element is determined as the difference between the fair value and the subscription price for the shares subscribed for. As regards long-term agreements the benefit element will be discounted to the present value.

Segment information
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. In the information pertaining to various geographical regions, assets and investments in non-current assets are recognised in accordance with the location of the production facilities.

INCOME STATEMENT

Revenue
Income derived from the sale of goods and services is recognised in the income statement if delivery and risk pass to the purchaser before year-end and if the income can be reliably valued and is likely to be received. Revenue is measured exclusive of value added tax, taxes and discounts in connection with the sale.

Production costs
Production costs include costs, including depreciation and amortisation and wages and salaries that are paid to generate the revenue for the year. Production costs also include research and development costs that do not qualify for capitalisation.

Distribution costs
Distribution costs include costs incidental to the distribution of goods sold during the year and costs incidental to sales campaigns etc. Costs relating to sales staff, advertising and exhibitions as well as depreciation, amortisation, write-downs and impairment losses are recognised under this item.

Administrative expenses
Administrative expenses include costs incurred during the year for the management and administration of the group, including costs relating to administrative staff, management, renting of premises as well as depreciation, amortisation, write-downs and impairment losses.

Other operating income and expenses
Other operating income and expenses include accounting items of a secondary nature relative to the company's activities, including gains and losses on the sale of intangible assets, property, plant and equipment as well as investments. Gains and losses on disposal of intangible assets and property, plant and equipment are determined as the selling price less selling costs and the carrying amount at the selling date.

Financial income and expenses
Financial income and expenses include interest income and expenses, exchange adjustments relating to securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities and surcharges and allowances under the advance-payment-of-tax scheme etc.

Furthermore, realised and unrealised gains and losses relating to derivative financial instruments which do not qualify as hedging contracts are also recognised.

Tax on profit for the year
Tax for the year, which comprises current income taxes, the joint taxation contribution for the year relating to the use or refund of tax losses and changes in deferred tax for the year, for instance as a result of changes in the tax rate, is recognised in the income statement with the proportion attributable to the profit for the year and is recognised directly in other comprehensive income and equity respectively as regards the portion attributable to amount included in other comprehensive income or items under the equity.

The current Danish income tax is allocated among the jointly taxed companies in the form of settlement of joint tax contributions in proportion to their taxable income. In this connection Danish companies with tax losses receive joint tax contributions from companies that have been able to utilise these losses to reduce their own taxable profits.

If the BoConcept group obtains a tax deduction on computation of the taxable income in Denmark or in foreign jurisdictions as a result of share-based payment schemes, the tax effect of the schemes is recognised in tax on the profit/loss for the year. However, if the total tax deduction exceeds the total tax expense, the tax benefit for the excess deduction is recognised directly in equity.

BALANCE SHEET

INTANGIBLE ASSETS

Goodwill
Goodwill is initially recognised in the balance sheet at cost as described under 'The Consolidated Financial Statements and Business Combinations'. Subsequently goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the group's cash-generating units at the acquisition date. The identification of cash-generating units is based on management structure and internal financial control. Management estimates that the smallest cash-generating units to which the carrying amount of goodwill can be allocated are the subsidiaries.

At least once a year the carrying amount of goodwill is tested for impairment together with the other non-current assets in the cash-generating unit to which goodwill is allocated and written down to the recoverable amount over the income statement if the carrying amount is higher.

The recoverable amount is computed as the present value of the expected future net cash flows from the enterprise or activity (cash-generating unit) to which goodwill is allocated.

Master rights
Master rights acquired to run and start up new BoConcept Brand Stores on a specific market are recognised in the balance sheet.

Master rights are of indefinite duration, and the characteristics of the acquired rights are in fact comparable to goodwill.

Master rights are measured at cost. No amortisation is made in respect of these as their useful lives cannot be determined, but they are subject to an annual impairment test.

Development costs
The company conducts no research. New products and product innovations are developed in consultation with external consultants. Development costs are not included in the balance sheet, since these cannot be stated dependably, in addition to which these are often related to product replacements.

Software
Software is acquired externally and is measured at cost less accumulated amortisation. Software is written down to the recoverable amount or to the carrying amount, which-ever is the lower. Amortisation is charged over three to eight years.

PROPERTY, PLANT AND EQUIPMENT

Land and buildings, plant and machinery and fixtures and fittings, other plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The cost comprises the cost of acquisition as well as costs directly attributable to the acquisition until such time when the asset is put into service – including borrowing costs.

The cost of assets held under finance leases is stated at the lower of the fair value of the assets and the present value of the future minimum lease payments. For the calculation of the present value, the interest rate implicit in the lease or an approximation thereof is used as the discount rate.
Subsequent costs, e.g. in connection with replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset if it is probable that the costs will result in future economic benefits for the group. The replaced components are removed from the balance sheet and recognised as an expense in the income statement. All costs incurred for ordinary repairs and maintenance are recognised in the income statement as incurred.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets, applying the following useful lives:

Buildings	10-25 years
Plant and machinery	5-9 years
Fixtures and fittings, other plant and equipment	3-7 years
Leasehold improvements	3-10 years

Land is not depreciated.

Depreciation is calculated on the basis of the residual value less impairment losses. The residual value is determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

When changing the depreciation period or the residual value, the effect on the depreciation is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement under production costs, distribution costs and administrative expenses respectively.

Impairment of non-current assets
Goodwill and master rights are subject to annual impairment tests, or where there seems to be a need for testing, initially before the end of the acquisition year.

The carrying amounts of goodwill and master rights are subject to an impairment test together with the other non-current assets in the cash-generating unit to which goodwill and master rights have been allocated, and the said assets are written down to the recoverable amount via the income statement if this is lower than the carrying amount. The recoverable amount is generally computed as the present value of the expected future net cash flows from the enterprise or activity (cash-generating unit) to which goodwill or the master rights are allocated.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit, respectively, exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement under production costs, distribution costs and administrative expenses respectively.

Impairment of goodwill is not reversed. Impairment of other assets is only reversed in connection with changes in the assumptions and estimates underlying the impairment calculation. Impairment is only reversed to the extent that the asset's new carrying amount does not exceed the carrying amount of the asset after amortisation had the asset not been impaired.

Other financial assets
Other financial assets for which no official price is available will be recognised at cost. Securities are written down to the net realisable value, where this is lower than cost. Securities are recognised at the transaction date.

Securities are recognised at the transaction date.

Inventories
Inventories are measured at cost according to the FIFO method. Where the net realisable value is lower than the cost, the item is written down to the former lower value.

The cost of goods for resale, raw materials and consumables includes the purchase price and delivery costs.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct wages and production overheads. Production overheads include indirect materials and wages as well as maintenance and depreciation of the machinery, plant and equipment applied in the production process as well as the cost of factory administration and management.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables
Receivables are measured at amortised cost price, which is equal to the nominal value less meet of loss writedowns. Provisions for losses are settled on the basis of individual assessments of receivables based on concrete risks of inability to pay. Further group writedowns on franchisees are based on a general assessment of risk of inability to pay. This is based on experiences from previous years.

Prepayments
Prepayments measured at cost price and recognised under assets include costs paid relating to subsequent financial years.

EQUITY

Dividend
The dividend proposed is recognised as a liability at the time of approval by the general meeting. Dividend which is expected to be distributed for the year is shown as a separate item under the equity. Interim dividend is recognised as a liability at the date when the decision to pay interim dividend is made.

Treasury shares
Costs of acquisition and disposal and dividends received in respect of treasury shares are recognised directly as retained earnings in equity. A reduction in capital brought about by the cancellation of treasury shares will reduce the share capital by an amount corresponding to the nominal value of the investment.

Proceeds from the sale of treasury shares and issue of shares, respectively, in BoConcept Holding in connection with the exercise of share options or employee shares are recognised directly in equity.

Translation reserve
The translation reserve in the consolidated financial statements comprises foreign exchange differences arising on translation of financial statements of foreign enterprises from their functional currencies to the presentation currency of the BoConcept group (Danish kroner). On full or partial realisation of the net investment the foreign exchange adjustments are recognised in the income statement.

LIABILITIES

Income taxes and deferred tax
In pursuance of the joint taxation provisions BoCon Holding ApS in its capacity of administration company takes over the liability for the income taxes of the subsidiaries vis-à-vis the tax authorities as the subsidiaries make their joint tax contributions.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured according to the balance sheet liability method of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to

- goodwill and
- not deductible for tax purposes premises and other items where temporary differences, apart from business combinations, arose at the acquisition date without affecting either profit/loss for the year or taxable income.

In cases where the tax base may be measured according to alternative tax regulations, deferred tax is measured on the basis of the use of the asset or liability planned by the management.

Deferred tax assets are subject to an annual impairment test and are amortised if it is deemed probable that the deferred tax asset cannot be eliminated against tax on future earnings or offset against deferred tax liabilities within the same legal tax entity or jurisdiction. In the assessment importance is attached to the type and nature of the recognised deferred tax asset, the expected time limit for eliminating the deferred tax asset, tax planning possibilities etc.

Deferred tax will be adjusted to account for the elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Provisions
Provisions are recognised when, as a result of events arising before or at the balance sheet date, the group has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. The amount recognised as a provision is management's best estimate of the expenses required to settle the obligation.

Restructuring costs are recognised as a liability when the persons affected by it have been notified of a detailed, formal restructuring plan not later than at the balance sheet date.

Financial liabilities
Payables to mortgage credit institutions and banks are recognised in the amount of the proceeds after deducting transaction costs when the loan is raised. In subsequent periods the financial liabilities are recognised at amortised cost using the 'effective rate of interest method' thus that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan. Financial liabilities also include the capitalised residual obligation under finance leases. Other liabilities are measured at the nominal value which corresponds to the amortised cost for current payables.

Prepayments from customers
Prepayments from customers recognised under liabilities are measured at cost and include prepayments received concerning ordered, but not yet delivered, furniture.

CASH FLOW

Cash flow statement
The cash flow statement shows the group's cash flow divided into operating, investing and financing activities, the change in cash and cash equivalents during the year and the group's cash and cash equivalents at the beginning of the year and at year-end.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the acquisition date. Cash flows from disposals of enterprises are recognised up until the date of disposal.

Cash flow from operating activities
Cash flows from operating activities are recognised indirectly as the profit before tax for non-cash operating items, changes in working capital, interest paid and income taxes paid.

Cash flow from investing activities
Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of property, plant and equipment and other non-current assets as well as acquisition and disposal of securities not recognised as cash and cash equivalents.

Cash flow from financing activities
Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs as well as the raising of loans, repayment of long-term interest-bearing debt, acquisition and disposal of treasury shares and payment of dividend to shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less at the acquisition date which are subject to an insignificant risk of changes in value and short-term business credits.

The ingenious Monza extendable table is also available with dark glass tops and an exclusive copper frame

DKK'000

CONSOLIDATED INCOME STATEMENT 1 MAY - 30 APRIL

		2013/14	2012/13
2	**Revenue**	1,049,469	1,026,133
3|4	Production costs	(600,679)	(583,185)
	Gross profit	448,790	442,948
3|4	Distribution costs	(373,219)	(327,315)
3|4|5	Administrative expenses	(93,465)	(88,608)
6	Other operating income	337	180
7	Other operating expenses	(4,161)	(7,746)
	Operating profit/loss	(21,718)	19,459
8	Financial income	4,520	4,246
9	Financial expenses	(6,534)	(6,343)
	Operating profit/loss before tax	(23,732)	17,362
10	Tax on profit/loss for the year	10,893	(6,023)
	Profit/loss for the year	(12,839)	11,339
	Broken down as follows:		
	Shareholders of BoConcept Holding A/S	(11,810)	11,339
	Minority interests	(1,029)	0
		(12,839)	11,339
11	**Earnings per share**		
	Earnings per share	(4.1)	4.0
	Diluted earnings per share	(4.1)	4.0

TOTAL INCOME

	2013/14	2012/13
Profit/loss for the period	(12,839)	11,339
Revaluation of hedging instruments before tax	727	(1,472)
Settlement of hedging instruments	(453)	(106)
Foreign currency translation, foreign units	(4,966)	395
Tax on changes in equity	(67)	(2,190)
Total income for the period	(17,598)	7,966
Broken down as follows:		
Shareholders of BoConcept Holding A/S	(16,569)	7,966
Minority interests	(1,029)	0
Total income for the period	(17,598)	7,966

DKK'000

AS AT 30 APRIL

Note		2014	2013
	ASSETS		
	Goodwill	16,323	8,082
	Master rights	42,225	34,507
	Software	22,085	17,071
	Intangible assests in progress	6,572	5,340
12	**Total intangible assets**	87,205	65,000
	Land and buildings	65,420	71,715
	Leasehold improvements	23,648	13,687
	Plant and machinery	17,886	15,624
	Fixtures and operating equipment	7,873	8,074
	Property, plant and equipment in progress	514	3,504
13	**Total tangible assets**	115,341	112,604
14	Deferred tax	8,610	32,875
15	Other financial assets	24,863	15,119
15	Deposits	13,202	14,606
	Total other non-current assets	46,675	62,600
	Total non-current assets	249,221	240,204
16	Inventories	143,381	106,105
17	Trade receivables	144,522	144,036
18	Other receivables	28,406	21,574
	Cash and cash equivalents	16,320	20,359
	Total current assets	332,629	292,074
	TOTAL ASSETS	581,850	532,278

AS AT 30 APRIL

Note		2014	2013
	LIABILITIES & EQUITY		
	Share capital	28,621	28,621
	Translation reserve	(6,286)	(1,320)
	Hedging reserve	(976)	(1,183)
	Retained earnings	188,897	201,914
	Dividend proposed	0	0
19	Equity share, BoConcept Holding A/S shareholders	210,256	228,032
	Minority interests	(812)	0
19	**Total equity**	209,444	228,032
14	Deferred tax	11,747	44,509
20	Employee bonds	0	1,299
21	Other provisions	9,484	5,232
22|29	Mortgage credit institutions and banks	68,940	45,990
	Total non-current liabilities	90,171	97,030
20	Employee bonds	1,299	1,375
22|29	Mortgage credit institutions and banks	57,924	26,029
	Trade payables	118,485	90,241
	Prepayment from customers	39,818	19,923
	Income tax payable	(387)	7,558
	Other payables	65,096	62,090
	Total current liabilities	282,235	207,216
	Total liabilities	372,406	304,246
	TOTAL LIABILITIES AND EQUITY	581,850	532,278

23 Contingent liabilities and security
27 Currency risk
28 Related parties
30 New accounting regulations

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CONSOLIDATED STATEMENT OF EQUITY MOVEMENTS

	Share capital	Hedging reserve	Translation reserve	Retained earnings	Dividend proposed	Total
Equity at 1 May 2012	28,621	0	870	189,657	5,724	224,872
Sale of treasury shares				864		864
Distributed dividend					(5,724)	(5,724)
Dividend proposed					0	0
Dividend treasury shares				54		54
Total transactions with shareholders	0	0	0	918	(5,724)	(4,806)
Total income for the period		(1,183)	(2,190)	11,339		7,966
Equity at 30 April 2013	28,621	(1,183)	(1,320)	201,914	0	228,032
Share-based payments warrants				(1,263)		(1,263)
Sale of treasury shares				56		56
Distributed dividend					0	0
Dividend proposed					0	0
Dividend treasury shares				0		0
Total transactions with shareholders	0	0	0	(1,207)	0	(1,207)
Total income for the period		207	(4,966)	(11,810)		(16,569)
Equity at 30 April 2014	28,621	(976)	(6,286)	188,897	0	210,256

Information as to what reserves are available for distribution, reference is made to the parent company's statement of equity movements on page 71. The appropriation of profit is shown in the parent company's income statement on page 69, including dividend per share.

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Note		**2013/14**	2012/13
	Revenue	1,049,469	1,026,133
	Operating expenses	(1,071,861)	(1,007,034)
24	Adjustment for non-cash items	79,542	58,137
25	Change in net working capital	(42,001)	(9,766)
	Cash flow from operating activities before financial items	15,149	67,470
	Interest income etc.	4,520	4,246
	Interest paid	(6,066)	(4,923)
	Income taxes paid	(8,631)	(11,545)
	Cash flow from operating activities	4,972	55,248
	Acquisition of intangible assets	(25,205)	(11,926)
	Sale of intangible assets	0	0
	Acquisition of tangible assets	(28,426)	(16,516)
	Sale of tangible assets	0	110
	Acquisition of financial assets	(16,586)	(8,304)
	Sale of financial assets	7,186	3,591
26	Acquisition of companies	0	0
26	Disposal of companies	3,587	1,147
	Cash flow for investing activities	(59,444)	(31,898)
	Cash flow before financing activities	(54,472)	23,350
	Raising of long-term loans	33,943	0
	Instalments on long-term debt	(8,508)	(8,879)
	Employee bonds	(1,375)	0
	Shareholders:		
	Purchase treasury shares	0	0
	Sale of treasury shares	56	864
	Dividend paid	0	(5,670)
	Cash flow from financing activities	24,116	(13,685)
	Cash inflow/outflow for the year	(30,356)	9,665
	Cash and cash equivalents less short-term bank debt, beginning of year	(888)	(9,133)
	Revaluation of cash and cash equivalents	(468)	(1,420)
	Cash and cash equivalents at year-end	(31,712)	(888)
	The amount may be broken down as follows:		
	Cash without restrictions	16,320	20,359
	Short-term debt to credit institutions, cf. note 29	(48,032)	(21,247)
		(31,712)	(888)


The world famous Japanese design company, nendo, is behind the fusion collection that was launched in March 2014

DKK million

1 ACCOUNTING ESTIMATES AND ASSESSMENT

Estimation uncertainty
Determining the carrying amounts of certain assets and liabilities requires estimation of the effects of future events on the carrying amounts of these assets and liabilities at the balance sheet date. Estimates that are material for the financial reporting are made, among other things, by computing amortisation, depreciation, write-downs and impairment losses, provisions as well as contingent liabilities and assets. The estimates applied are based on assumptions which are sound, in the management's opinion but which by their very nature, are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Moreover, the company is subject to risks and uncertainties that may cause the actual results to differ from these estimates. Special risks for BoConcept Holding A/S are described in Risks on page 22-25.

The notes provide information on bases and assumptions, on the future and other estimation uncertainties at the balance sheet date where there is a considerable risk of changes that may lead to a significant adjustment of the carrying amounts of assets or liabilities within the next financial year.

For BoConcept Holding the measurements of goodwill, master rights, trade receivables and services may be significantly affected by major changes in the estimates and underlying assumptions of the calculations. For a description of impairment tests for intangible assets reference is made to note 12, and for deferred tax note 14 where the amounts are also stated. Trade receivables are measured at amortised cost or net realisable value in the balance sheet, corresponding to the nominal value less write-downs for bad and doubtful debts. Write-downs to provide for losses are determined on the basis of an individual assessment of each receivable and the specific risk of the debtor being unable to pay. Collective write-downs in respect of other franchisees are determined on the basis of a general assessment of the risk that the group of debtors is unable to pay in the light of the company's experience from previous years. The determination is therefore to some extent based on estimates.

In the light of the group's financial adequacy, no liquidity problems are expected over the next twelve months. The assessment is based on the budget and credit facilities for the next twelve months. Major deviations from the budget assumptions may determine whether the group has adequate liquidity.

Material judgements
Based on the company's accounting policies, management makes material judgements in connection with the recognition of master rights and goodwill.

Master rights acquired to run and start up new BoConcept stores in specific markets are recognised in the balance sheet. The rights have no fixed term and have the characteristics of goodwill. Upon acquisition of enterprises and activities, management will evaluate whether such acquisition is deemed to constitute an enterprise or individual assets, including master rights and liabilities. Where no staff members, key net assets, are acquired, and where other contractual conditions otherwise support this position, management will deem the acquisition to consist of individual assets, typically including master rights.

The BoConcept group recognises deferred tax assets, including the tax value of tax losses allowed for carryforward, if the management estimates that the tax asset can be offset against future income within the foreseeable future. The assessment is made once a year based on the budgets and business plans for the years ahead, including any business initiatives scheduled.

The BoConcept group expects to realise DKK 10.6 million of the deferred tax liabilities in the 2014/2015 financial year.

Further, the group expects to exercise DKK 4.0 million of deferred tax assets within one year.

2 SEGMENT INFORMATION

BoConcept is a global brand represented in 60 markets worldwide.
The reportable segment information is stated in the income statement, balance sheet and cash flow statement.

	Nordic countries		Remainder of Europe		North America	
Geographic	**2013/14**	2012/13	**2013/14**	2012/13	**2013/14**	2012/13
Revenue	135.5	151.2	500.0	503.5	125.1	123.1
Segment assets	458.7	428.5	30.4	25.7	17.8	38.0
Investments in tangible and intangible assets	35.0	21.6	8.0	2.7	0.0	1.0

	Latin America		Asia		Middle East		Group total	
	2013/14	2012/13	**2013/14**	2012/13	**2013/14**	2012/13	**2013/14**	2012/13
Revenue	56.5	44.7	196.3	173.1	36.1	30.5	1,049.5	1,026.1
Segment assets	0.0	0.0	75.0	40.1	0.0	0.0	581.9	532.3
Investments in tangible and intangible assets	0.0	0.0	10.6	3.1	0.0	0.0	53.6	28.4

Revenue in the geographic information has been determined according to the customer's physical location, whereas segment assets and investments in tangible and intangible assets have been determined by the location of the investment.

No single customers at BoConcept have an external revenue above 10% of the total revenue, and no further division is thus available.
For further description, see accounting policies applied.

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3 COSTS

Staff costs	**2013/14**	2012/13
Wages and salaries	208,817	199,279
Pensions	9,407	9,167
Other social security costs	16,626	16,311
Share-based payments	(1,263)	0
Other staff costs	3,671	6,455
	237,258	231,212
Staff costs are recognised as follows:		
Production costs	71,812	64,987
Distribution costs	113,316	112,413
Administrative expenses	52,130	53,812
	237,258	231,212
Average number of employees	627	586
Cost in respect of share-based payments for the year is recognised as follows:		
Production costs	(230)	0
Distribution costs	(418)	0
Administrative expenses	(615)	0
	(1,263)	0

Remuneration of the supervisory board, the executive board and executives	**2013/14**			2012/13		
	Supervisory board of the parent company	Executive board of the parent company	Other executives	Supervisory board of the parent company	Executive board of the parent company	Other executives
Wages and salaries	1,610	3,193	3,468	1,626	6,226	965
Bonus	0	0	0	0	252	61
Pensions	0	164	265	0	334	76
Share-based payments	(82)	(164)	(123)	0	0	0
	1,528	3,193	3,610	1,626	6,812	1,102

The total remuneration of the group management was DKK 8,331,000 (last year DKK 9,540,000).

Remuneration of the supervisory board includes consultancy fee and company car costs of DKK 497,000 (last year DKK 484,000) for the chairman.The remuneration covers a number of consultancy services that are not related to the work of the supervisory board.

Share options schemes
In 2006 share options in BoConcept Holding were allotted to other executives. The option scheme included 4,800 shares at a nominal value of DKK 10 each. The options may be exercised until 2014. The option price is DKK 260.

In 2007 share options in BoConcept Holding were allotted to other executives. The option scheme included 3,000 share at a nominal value of DKK 10 each. The options may be exercised until 2015. The option price is DKK 442.

The options may only be exercised for a period of 4 weeks after the publication of annual or interim reports.

3 COSTS (CONTINUED)

Specification of outstanding options and warrants	Supervisory board	Executive board	Other executives	Other employees	Total	Exercise price*	Fair value per option*
Number of options to be exercised:							
1 May 2012	25,000	20,000	24,800	119,500	189,300	142	32
Carried forward	(3,000)	14,800	(24,800)	13,000	0		
Allotted in 2012/2013	0	0	0	0	0	0	0
Exercised	0	(4,800)	0	(14,400)	(19,200)	45	112
Expired	0	0	0	(22,300)	(22,300)	153	32
Outstanding at 30 April 2013	22,000	30,000	0	95,800	147,800		
Carried forward	0	0	15,000	(15,000)	0	153	32
Allotted in 2013/2014	0	0	0	(1,300)	(1,300)	45	85
Exercised	0	0	0	0	0	0	0
Expired	(22,000)	(30,000)	(15,000)	(71,700)	(138,700)	153	32
Outstanding at 30 April 2014	0	0	0	7,800	7,800		

* Time of allotment

The calculated fair values on allotment are based on the Black-Scholes formula for the valuation of European options.

As regards outstanding options and warrants as per 30 April 2014, the average remaining life amounts to one year, and the average exercise price is DKK 330 per option.

Members of the supervisory and executive boards as well as other executives were granted a total of 161,000 warrants at the price of DKK 153 in August 2010 (140,000 warrants effective at 30 April 2013). The warrants could be exercised until September 2013. The warrants granted have lapsed due to performance failure. The effect is a reversal of an amount of DKK 1,263,000 previously charged to the income statement.

4 DEPRECIATION, AMORTISATION, WRITE-DOWNS AND IMPAIRMENT LOSSES

	2013/14	2012/13
Amortisation of intangible assets	10,352	10,131
Write-downs of intangible assets	1,417	252
Depreciation of tangible assets	25,551	21,437
Write-downs of tangible assets	0	0
	37,320	31,820
Depreciation, amortisation, write-downs and impairment losses are recognised in the income statement as follows:		
Production costs	11,077	11,667
Distribution costs	11,581	6,273
Administrative expenses	14,662	13,880
	37,320	31,820

All write-downs are recognised in the distribution costs.

Development costs		
Development costs paid during the year	6,347	5,415

DKK'000

5 FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

	2013/14	2012/13
Aggregate fee, PwC	1,344	1,513
Aggregate fee, other auditors	574	424
	1,918	1,937
May be broken down as follows:		
Audit, PwC	1,034	1,274
Other services PwC	155	121
Tax consultancy PwC	155	118
Other audit-related services, other auditors	574	424
	1,918	1,937

6 OTHER OPERATING INCOME

	2013/14	2012/13
Gain on sale of tangible assets	337	180

7 OTHER OPERATING EXPENSES

	2013/14	2012/13
Loss disposal of assets	1,188	850
Restructuring and closing down costs	2,973	6,896
	4,161	7,746

Restructuring and closing down costs in 2013/2014 relate to closing of store in Sweden and restructuring costs relate to France. Restructuring and closing down costs in 2012/2013 relate to move of distribution centre in the USA and closing of stores in Denmark, Sweden, UK and Spain.

8 FINANCIAL INCOME

	2013/14	2012/13
Other interest income	4,520	4,246
	4,520	4,246

9 FINANCIAL EXPENSES

	2013/14	2012/13
Other interest expenses	5,061	3,545
Settlement of hedging instruments	453	160
Foreign exchange losses	1,020	2,692
	6,534	6,343

10 TAX

	2013/14	2012/13
Tax for the year breaks down as follows:		
Tax on profit/loss for the year	10,893	(6,023)
Tax on changes in equity	(67)	395
	10,826	(5,628)
Tax on profit/loss for the year may be subdivided as follows:		
Current tax	(1,683)	(4,934)
Revaluation deferred tax asset	22,281	(1,625)
Deferred tax	10,319	403
Value adjustment of the retaxation balance due to the withdrawal from the international joint taxation scheme	(22,281)	0
Adjustment in deferred tax due to a percentage change	160	0
Adjustment of tax related to previous years	2,030	528
	10,826	(5,628)
Tax on profit/loss for the year may be explained as follows:		
Calculated 24.5/25% tax on profit/loss for the year before tax	5,814	(4,736)
Tax on changes in equity	(67)	395
The tax effect of:		
Deviation in foreign companies' tax rate compared to Danish tax rate (net)	(150)	(84)
Non-taxable income and non-deductible costs	191	(106)
Losses with no recognition of tax and no tax effect upon withdrawal from the international joint taxation scheme	3,008	0
Revaluation tax asset	22,281	(1,625)
Value adjustment of the retaxation balance due to the withdrawal from the international joint taxation scheme	(22,281)	0
Adjustment of tax-related to previous years	2,030	528
	10,826	(5,628)
Effective tax rate	45.9	34.7

11 EARNINGS PER SHARE

	2013/14	2012/13
Profit/loss for the year	(12,839)	11,339
Minority interests	1,029	0
Result for the year, BoConcept Holding A/S, shareholders	(11,810)	11,339
Average number of shares in circulation	2,862,119	2,862,119
Number of treasury shares	(11,400)	(12,700)
Number of shares in circulation	2,850,719	2,849,419
Average dilution effect of outstanding share options	0	0
Diluted number of shares in circulation	2,850,719	2,849,419
Earnings per share (EPS) of DKK 10	(4.1)	4.0
Earnings per diluted share of DKK 10	(4.1)	4.0

DKK'000

12 INTANGIBLE ASSETS

	2014					2013				
	Goodwill	Master rights	Software	Intangible assets in progress	Total	Goodwill	Master rights	Software	Intangible assets in progress	Total
Acquisition cost beg./year	12,442	34,507	52,314	5,340	104,603	12,259	34,505	44,170	1,855	92,789
Foreign currency translation adjustments	(644)	1	(134)	0	(777)	183	2	(242)	0	(57)
Additions for the year	0	8,277	1,168	15,760	25,205	0	0	6,615	5,311	11,926
Additions purchases for the year	10,088	0	365	0	10,453	0	0	0	0	0
Carried forward	0	0	14,528	(14,528)	0	0	0	1,826	(1,826)	0
Disposals for the year	0	(560)	(2,795)	0	(3,355)	0	0	(55)	0	(55)
Acquisition cost, year-end	21,886	42,225	65,446	6,572	136,129	12,442	34,507	52,314	5,340	104,603
Amortisation and impairment losses beg./year	4,360	0	35,243	0	39,603	4,055	0	25,331	0	29,386
Foreign exchange rate adjustments	(214)	0	(122)	0	(336)	53	0	(164)	0	(111)
Depreciation on purchase	0	0	0	0	0	0	0	0	0	0
Carried forward	0	0	0	0	0	0	0	0	0	0
Write-downs for the year	1,417	0	0	0	1,417	252	0	0	0	252
Amortisation for the year	0	0	10,352	0	10,352	0	0	10,131	0	10,131
Disposals for the year	0	0	(2,112)	0	(2,112)	0	0	(55)	0	(55)
Amortisation and impairment losses at year-end	5,563	0	43,361	0	48,924	4,360	0	35,243	0	39,603
Carrying amount at year-end	16,323	42,225	22,085	6,572	87,205	8,082	34,507	17,071	5,340	65,000
Depreciated over a period of			3-8 years					3 years		

Goodwill relates to acquisition of stores in China and previous years' acquisitions of stores in the USA.

Master rights relate to acquisition of master rights in China and previous years' acquisition of master rights in the UK, Spain, Sweden, Portugal and Denmark.

An impairment test of the carrying amounts of goodwill and master rights has been carried out at 30 April 2013 and at 30 April 2014. The carrying amount of goodwill and master rights is based on cash flow generating stores in Denmark, USA, UK, Spain, Portugal and China.

The main factors in the determination of the recoverable amount are revenue and contribution margin and the discount rate used.

The recoverable amounts of goodwill are based on the capital value, which is determined by applying expected cash flows based on the budget for the next year and an estimated projection for the next three years, followed by the calculation of a terminal value without annual growth. All amounts have been discounted at 10.66% before tax.

The recoverable amounts of master rights are based on the capital value, which is determined by applying expected cash flows based on the budget for next year and an estimated projection for the next three years at an annual growth rate of 3%.

The calculated recoverable amounts are significantly higher than the carrying amounts.

13 TANGIBLE ASSETS

2014

	Land and buildings	Leasehold improvements	Plant and machinery	Fixtures and operating equipment	Property, plant and equipment in progress	Total
Acquisition cost at the beginning of the year	190,851	35,691	161,532	37,440	3,504	429,018
Foreign currency translation adjustments	0	(1,904)	0	(605)	0	(2,509)
Additions for the year	182	16,225	6,174	2,632	3,213	28,426
Carried forward	0	0	2,217	3,986	(6,203)	0
Additions purchases for the year	0	1,444	0	73	0	1,517
Disposals for the year	0	(7,482)	(2,336)	(8,100)	0	(17,918)
Acquisition cost at year-end	191,033	43,974	167,587	35,426	514	438,534
Depreciation and impairment losses at the beginning of the year	119,136	22,004	145,908	29,366	0	316,414
Foreign currency translation adjustments	0	(1,520)	0	(487)	0	(2,007)
Carried forward	0	0	0	0	0	0
Depreciation on purchase	0	0	0	0	0	0
Depreciation for the year	6,477	7,092	6,128	5,854	0	25,551
Write-downs	0	0	0	0	0	0
Disposals for the year	0	(7,250)	(2,335)	(7,180)	0	(16,765)
Depreciation and impairment losses at year-end	125,613	20,326	149,701	27,553	0	323,193
Carrying amount at year-end	65,420	23,648	17,886	7,873	514	115,341
Depreciated over a period of	10-25 years	3-10 years	5-9 years	3-7 years		

Plant and machinery includes leased assets at a carrying amount of DKK 9.0 million (DKK 5.3 million previous year).

The fitting out of rented premises includes a maintenance obligation recognised in the carrying amount of DKK 4.0 million (DKK 3.3 million last year).

2013

	Land and buildings	Leasehold improvements	Plant and machinery	Fixtures and operating equipment	Property, plant and equipment in progress	Total
Acquisition cost at the beginning of the year	189,824	33,206	161,155	35,867	2,322	422,374
Foreign currency translation adjustments	0	(2,962)	0	(148)	0	(3,110)
Additions for the year	1,027	9,553	441	2,268	3,227	16,516
Additions purchases for the year	0	0	918	1,127	(2,045)	0
Carried forward	0	0	0	0	0	0
Disposals for the year	0	(4,106)	(982)	(1,674)	0	(6,762)
Acquisition cost at year-end	190,851	35,691	161,532	37,440	3,504	429,018
Depreciation and impairment losses at the beginning of the year	112,685	23,842	139,630	25,844	0	302,001
Foreign currency translation adjustments	0	(2,838)	0	(244)	0	(3,082)
Carried forward	0	0	0	0	0	0
Depreciation on purchase	0	0	0	0	0	0
Depreciation for the year	6,451	3,865	6,342	4,779	0	21,437
Write-downs	0	0	0	0	0	0
Disposals for the year	0	(2,865)	(64)	(1,013)	0	(3,942)
Depreciation and impairment losses at year-end	119,136	22,004	145,908	29,366	0	316,414
Carrying amount at year-end	71,715	13,687	15,624	8,074	3,504	112,604
Depreciated over a period of	10-25 years	3-10 years	5-9 years	3-7 years		

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14 DEFERRED TAX

	2014	2013
Deferred tax at the beginning of the year	(11,634)	(12,714)
Deferred tax for the year	10,319	1,029
Transferred current tax	0	2,097
Change due to tax rate	160	0
Foreign currency translation	(1,982)	(2,046)
Deferred tax at year-end	(3,137)	(11,634)
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (asset)	8,610	32,875
Deferred tax (liability)	(11,747)	(44,509)
Net deferred tax at year-end	(3,137)	(11,634)
Deferred tax relates to:		
Intangible assets	(8,422)	(8,510)
Tangible assets	(1,800)	(4,623)
Current assets	9,099	1,529
Tax loss carry forwards	8,610	32,875
Re-taxation balances	(10,624)	(32,905)
	(3,137)	(11,634)

The group is subject to the Danish provisions on compulsory joint taxation of the Danish companies in the BoConcept group and has adopted the international joint taxation of its foreign companies. Subsidiaries are included in the joint taxation scheme from the date on which they are included in the consolidated financial statements and until such time when they are excluded from consolidation.

BoConcept Invest ApS is the administrator of the joint taxation scheme, and in that capacity it settles all payments of income tax with the tax authorities.

Losses previously deducted relating to jointly taxed foreign companies will be retaxed. Retaxation will occur as profits are realised in the companies in question or upon their withdrawal from the international joint taxation scheme. The supervisory and executive boards have decided to withdraw from the international joint taxation scheme at 1 May 2014. As a result, the retaxation balance will be recognised as deferred tax.

The tax asset has been recognised on the assumption of continued positive earnings in Japan.

The company has tax loss carryforwards in foreign entities that are unrecognised since the management considers the utilisation of such losses uncertain. At the end of the year the tax value of such loss carryforwards amounted to DKK 26.8 million (last year DKK 19.1 million).

The recognised tax asset can be utilised in accordance with special rules governing tax carryforwards, and a utilisation period of 1-3 years has therefore been associated with the asset.

15 OTHER FINANCIAL ASSETS AND DEPOSITS

	Deposits		Other financial assets	
	2014	2013	2014	2013
Acquisition cost at the beginning of the year	14,606	18,866	15,119	8,158
Foreign currency translation adjustments	(1,028)	(2,056)	(32)	44
Additions	1,429	441	15,157	7,863
Disposals for the year	(1,805)	(2,645)	(5,381)	(946)
Acquisition cost at year-end	13,202	14,606	24,863	15,119

16 INVENTORIES

	2014	2013
Raw materials and consumables	9,133	7,161
Goods in progress	11,309	7,768
Manufactured goods and goods for sale	122,939	91,176
	143,381	106,105
Cost of sales for the year which is included in production costs	520,361	501,647
Write-down of inventories	19,938	19,567
Reversal of write-downs for the year	1,308	1,506

The reversal of write-downs in the year is due to goods sold at a higher price than the written down carrying amount.

17 TRADE RECEIVABLES

	2014	2013
Trade receivables	144,522	144,036
Provisions for losses have been recognised in the above item as follows:		
Provisions, beginning of year	86,016	65,033
Provisions for the year	48,406	31,295
Losses recognised for the year	(8,112)	(103)
Reversed provisions for the year	(10,435)	(10,209)
Provisions, year-end	115,875	86,016

The annual operational effect of provisions and losses recognised amount to DKK 39.3 million (DKK 20.2 million the previous year). Tighter credit policies in the USA increased provisions by about DKK 8.0 million compared with last year. Provisions were adversely affected by a number of individual items relating to stores in the USA and Europe (primarily in France and Austria). Realised losses on receivables totalled DKK 8.0 million in the 2013/2014 financial year with DKK 0 million the year before.

Maturities of trade receivables, before depreciation, may be classified as follows:

	2014	2013
Not due	105,140	91,836
Due in 0-60 days	40,699	42,246
Due in 61-180 days	32,772	38,746
Due after more than 180 days	81,786	57,224
	260,397	230,052

Write-downs primarily relate to amounts falling due after more than 60 days. Receivables that fall due after more than 90 days have been written off in full.

18 OTHER RECEIVABLES

	2014	2013
Other receivables	16,834	13,760
Prepayments	11,572	7,814
	28,406	21,574

DKK'000

19 SHARE CAPITAL

	Number of shares		Nominal value	
	2014	2013	**2014**	2013
Beginning of the year / year-end class A-shares	240,000	240,000	2,400	2,400
B-shares, beginning of year	2,622,119	2,622,119	26,221	26,221
	2,862,119	2,862,119	28,621	28,621

Each class A-share carries 10 votes whereas each class B-share carries 1 vote.

Capital increase by means of subscription for employee shares, please refer to note 10 of the financial statements of the parent company.

On 18 September 2009, class B-share capital was increased by issue of 238,374 class B-shares of a nominal value of DKK 10 each at a price of 110.

	Number of shares		Nominal value		Percentage share capital	
Treasury shares	**2014**	2013	**2014**	2013	**2014**	2013
1 May	12,700	31,900	127	319	0.45	1.12
Acquisition	0	0	0	0	0.00	0.00
Sale	(1,300)	(19,200)	(13)	(192)	(0.05)	(0.67)
Treasury shares at 30 April	11,400	12,700	114	127	0.40	0.45

20 EMPLOYEE BONDS

An employee bond scheme has been set up in accordance with the gross pay scheme. Accumulation was commenced in January 2009, and the bonds were issued in December 2009 with a fixed payment of 3.72% p.a. in the life of the employee bonds.

In January 2015 the employee bonds are paid out.

21 OTHER PROVISIONS

	2014	2013
Acquisition cost beginning of year	5,232	0
Foreign currency translation adjustments	(221)	0
Additions for the year	4,473	5,232
Disposals for the year	0	0
	9,484	5,232

Other provisions relate to re-establishment of leaseholds.

22 AMOUNTS OWED TO CREDIT INSTITUTIONS

Liabilities relating to assets under finance leases are therefore included in amounts owed to credit institutions:

	2014			2013		
	Lease payment	Interest	Carrying amount	Lease payment	Interest	Carrying amount
0-1 year	3,531	(236)	3,295	2,217	(192)	2,025
1-5 years	4,332	(427)	3,905	3,320	(100)	3,220
>5 years	1,671	(32)	1,639	0	0	0
	9,534	(695)	8,839	5,537	(292)	5,245

Leased equipment comprises production plant and machinery at Ølgod. The term remaining of the leases is approx. one to eight years. The leases have been concluded in DKK and EUR with fixed as well as variable leasing payments for the remainder of the term.

23 CONTINGENT LIABILITIES AND SECURITY

	2014	2013
Land and buildings recognised at:	65,420	71,715
Production plant and machinery recognised at:	8,886	10,324
Are charged in addition to the mortgage debt of:	54,105	37,877
Subject to letter of indemnity of:	50,000	50,000
Non-terminable operating leases are as follows:		
0-1 year	43,578	37,868
1-5 years	84,878	69,534
>5 years	29,583	12,850
	158,039	120,252

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

BoConcept has provided guarantee for franchisees' landlords for rent of DKK 3.4 million (last year DKK 1.6).
BoConcept A/S has provided guarantee for bank loans raised by franchisees of DKK 5.2 million (last year DKK 0)

24 ADJUSTMENT FOR NON-CASH ITEMS

	2014	2013
Depreciation and impairment losses for the year	37,319	31,819
Provisions for re-establishment of leaseholds	4,252	5,232
Provisions for losses on bad debts	37,971	21,086
	79,542	58,137

25 CHANGES IN WORKING CAPITAL

	2014	2013
Change receivables	(36,663)	(29,589)
Change inventories	(33,998)	17,175
Change trade payables, etc.	28,660	2,648
	(42,001)	(9,766)

DKK'000

26 ACQUISITION/DISPOSAL OF GROUP ENTERPRISES AND ACTIVITIES

Acquisition of companies

	2013/14	2012/13
	Fair value at acquisition date	Fair value at acquisition date
Tangible assets	1,999	0
Inventories	5,691	0
Receivables	4,143	0
Cash	3,979	0
Trade payables	(11,318)	0
Other payables	(5,436)	0
Prepayment from customers	(9,772)	0
Acquired net assets	(10,714)	0
Goodwill	10,714	0
Acquisition costs in cash	0	0

The group acquired 85% of BoConcept Retail China Ltd. on 1 May 2013. The previous ownership share was zero percent.

Description of the acquired activities
BoConcept Retail China Ltd. had six brand stores in China engaged in the distribution of furniture and other home interior products at the acquisition date. Similar products are also sold to other franchisees in China. The company had 89 employees at year-end, following the addition of three brand stores this financial year.

The inventory consists of furniture and other home interior products.

Acquired receivables are recognised at fair value and relate to franchisees' receivables, which are expected to be recognised in full.

Goodwill is recognised in an amount that equals the difference between the purchase price less identifiable net assets. Determined goodwill can be allocated to expected revenue growth due to a higher number of own stores and franchisees.

BoConcept Retail China Ltd. contributed DKK 37.5 million to group revenues and made an operating loss of DKK 9.3 million in the financial year. Of this amount, DKK 4.0 million is allocated to non-recurring items related to inventory adjustments and changed accounting policies.

Sale of companies

	2013/14	2012/13
	Fair value at date of sale	Fair value at date of sale
Intangible assets	0	0
Tangible assets	215	329
Financial assets	246	0
Inventories	2,413	818
Receivables	1,527	0
Cash	0	0
Prepayments from customers	(581)	0
Other payables	(233)	0
Sales sum	3,587	1,147
Of which cash	0	0
Sales sum (settled with bonds)	3,587	1,147

In September 2012 BoConcept Poland Sp.z. o. o. sold the activities in the store located in Gdynia.

At the end of September 2013 BoConcept Poland Sp.z. o. o. sold the activities in the store located Warzaw.
After this, BoConcept Poland Sp.z. o. o. owns no stores.

27 FOREIGN EXCHANGE RISKS

Foreign currencies	Payment/maturity	2014 Receivables	2014 Liabilities other than provisions	2014 Hedged by forward exchange contracts	2014 Net position
PLN	<1 year	1,211	(477)	0	734
	>1 year	4,917	0	0	4,917
GBP	<1 year	16,023	(6,958)	(34,553)	(25,488)
	>1 year	1,330	0	0	1,330
JPY	<1 year	17,998	(24,692)	(26,686)	(33,380)
	>1 year	0	0	0	0
SEK	<1 year	1,746	(8,009)	(7,114)	(13,377)
	>1 year	0	0	0	0
USD	<1 year	61,906	(25,352)	(44,460)	(7,906)
	>1 year	5,561	(2,037)	0	3,524
EUR	<1 year	150,345	(29,275)	0	121,070
	>1 year	5,606	(44,355)	0	(38,749)
CNY	<1 year	9,627	(31,885)	18,333	(3,925)
	>1 year	0	0	0	0
Other	<1 year	474	(1,596)	0	(1,122)
	>1 year	0	0	0	0
		276,744	(174,636)	(94,480)	7,628
Sale/purchase of currencies in accordance with agreements				94,151	
Unrealised net loss				(329)	

Foreign currencies	Payment/maturity	2013 Receivables	2013 Liabilities other than provisions	2013 Hedged by forward exchange contracts	2013 Net position
PLN	<1 year	2,159	(2,909)	0	(750)
	>1 year	0	0	0	0
GBP	<1 year	22,030	(6,840)	(27,562)	(12,372)
	>1 year	0	0	0	0
JPY	<1 year	20,647	(17,294)	(23,636)	(20,283)
	>1 year	0	0	0	0
SEK	<1 year	3,111	(11,717)	(10,779)	(19,385)
	>1 year	0	0	0	0
USD	<1 year	75,774	(31,683)	3,422	47,513
	>1 year	0	0	0	0
EUR	<1 year	127,572	(14,216)	(3,728)	109,628
	>1 year	0	(54,848)	0	(54,848)
Other	<1 year	1,332	(1,192)	0	140
	>1 year	0	0	0	0
		252,625	(140,699)	(62,283)	49,643
Sale/purchase of currencies in accordance with agreements				63,387	
Unrealised net gain				1,104	

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28 RELATED PARTIES

BoConcept Holding A/S' related parties with significant influence include the class A-shareholders of the company, the supervisory board, the executive board and executives as well as the said persons' family members. Related parties also include companies in which the above-mentioned group of persons have considerable interests.

Furthermore, the related parties include group enterprises in which BoConcept BoConcept Holding has control or a significant influence, cf. group overview on page 11.

Transactions conducted with the executive board only include normal management remuneration, cf. note 3 in the consolidated accounts as well as the transactions shown below.

Transactions conducted with other executives include normal remuneration, cf. note 3 in the consolidated accounts.

In addition to the supervisory board remuneration Viggo Mølholm receives DKK 497,000 (last year DKK 484,000) in consultancy fee and company car for consultancy services that are not related to the work of the supervisory board.

Except for the employee representatives on the board, no board member was employed with the group.

29 DERIVATIVE FINANCIAL INSTRUMENTS AND RISK AND CAPITAL MANAGEMENT

The group's policy for financial risk management
On account of its operations, investments and financing the BoConcept group is exposed to a number of foreign exchange and interest rate fluctuations. The management identifies the scope and concentration of risks and puts in place policies for addressing such risks on the basis of an ongoing review of the business. In addition, the group is subject to credit and liquidity risks. It is the group's policy not to speculate actively in financial risks. The sole purpose of the group's financial management is therefore to manage or eliminate financial risks associated with the group's operations and financing.

The group's policy for financial risk management is unchanged from last year and appears from pages 22-25. As a result, the carrying amount of financial instruments approximately corresponds to the fair value.

Credit risk
The group's credit risk is primarily associated with receivables and bank deposits as well as derivative financial instruments.

Credit risks associated with receivables arise when BoConcept A/S and subsidiaries make sales that are not prepaid. By far the majority of receivables are payable by franchisees. Since they have submitted opening budgets in advance, and the group has insight into their day-to-day operations, the group's policy is not to hedge these receivables with a third party.

40% (2012/2013 40%) of BoConcept's customers had not defaulted on the due dates at 30 April 2014. In the past the majority of our customers have been paying their debts by the due dates agreed upon. Receivables which are due more than 90 days after the normal due date, are increasing and have been written off in full.

	2014	2013
The maximum credit risk without taking into account security provided for trade receivables	144,522	144,036
The maximum credit risk associated with bank deposits, securities and derivative financial instruments	41,183	35,478
The maximum credit risk associated with other receivables	28,406	21,574
	214,111	201,088

29 DERIVATIVE FINANCIAL INSTRUMENTS AND RISK AND CAPITAL MANAGEMENT (CONTINUED)

Liquidity risks
The liquidity risk means the risk that BoConcept may not be able to fulfil its obligations as a result of a failure to realise assets or obtain adequate financing. The group's financial planning is intended to ensure the best possible capital structure and adequate financial resources while also optimising its working capital and minimising capacity costs in order that it can continue to fulfil its financial commitments, under normal as well as extraordinary circumstances. In the light of the group's financial adequacy, no liquidity problems are expected over the next twelve months. The assessment is based on the budget and credit facilities for the next twelve months. Major deviations from the budget assumptions may determine whether the group has adequate liquidity.

Unutilised credit facilities amounted to DKK 68.0 million at the end of the financial year compared to DKK 92.8 million the year before.

Below is a timetable of cash flows associated with financial liabilities and hedging instruments:

	2014					
			Cash flow			
	Nominal value	Fair value	<1 year	1-5 years	>5 years	Total
Measured at amortised cost (loans and other commitments)						
Amounts owed to mortgage credit institutions	54,105	54,232	2,421	18,086	38,870	59,377
Amounts owed to credit institutions	16,718	16,718	6,286	9,623	1,670	17,579
Other longterm payables	8,008	8,008	2,463	4,188	2,842	9,493
Bank loans	48,032	48,032	49,450	0	0	49,450
	126,863	126,990	60,620	31,897	43,382	135,899
Trade payables	118,485	118,485	118,485	0	0	118,485
Other payables	114,398	114,405	114,405	0	0	114,405
	359,746	359,880	293,510	31,897	43,382	368,789
Total financial liabilities	359,746	359,880	293,510	31,897	43,382	368,789
Measured at amortised cost (deposits and receivables)						
Other financial assets	24,863	24,863	4,823	19,123	917	24,863
Trade receivables	144,522	144,522	144,522	0	0	144,522
Other receivables	16,834	16,834	16,834	0	0	16,834
Cash	16,320	16,320	16,320	0	0	16,320
	202,539	202,539	182,499	19,123	917	202,539
Derivative financial instruments						
Forward exchange contracts	0	0	0	0	0	0
Forward exchange contracts			(94,480)	0	0	(94,480)
Total financial assets	202,539	202,539	88,019	19,123	917	108,059

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29 DERIVATIVE FINANCIAL INSTRUMENTS AND RISK AND CAPITAL MANAGEMENT (CONTINUED)

	2013					
			Cash flow			
	Nominal value	Fair value	<1 year	1-5 years	>5 years	Total
Measured at amortised cost (loans and other commitments)						
Amounts owed to mortgage credit institutions	37,877	37,930	1,750	11,186	32,413	45,349
Amounts owed to credit institutions	5,244	5,244	2,722	3,958	0	6,680
Other long-term payables	10,324	10,324	3,949	9,174	0	13,123
Bank loans	21,247	21,247	22,073	0	0	22,073
	74,692	74,745	30,494	24,318	32,413	87,225
Trade payables	90,241	90,241	90,241	0	0	90,241
Other payables	87,245	87,245	87,245	0	0	87,245
	252,178	252,231	207,980	24,318	32,413	264,711
Total financial liabilities	252,178	252,231	207,980	24,318	32,413	264,711
Measured at amortised cost (deposits and receivables)						
Other financial assets	15,119	15,119	4,571	7,275	3,273	15,119
Trade receivables	144,036	144,036	144,036	0	0	144,036
Other receivables	13,760	13,760	13,760	0	0	13,760
Cash	20,359	20,359	20,359	0	0	20,359
Total financial assets	193,274	193,274	182,726	7,275	3,273	193,274
Derivative financial assets						
Forward exchange contracts	0	0	0	0	0	0
Forward exchange contracts			(62,283)	0	0	(62,283)
Total financial assets	193,274	193,274	120,443	7,275	3,273	130,991

Cash flows for both the hedged assets and hedged liabilities as well as the hedging instruments are recognised in the income statement for the same period.

As regards cash flows for operating leases, reference is made to note 23 in the consolidated financial statements.

In the balance sheet, the value of derivative financial instruments is included in other receivables and other payables respectively.

Generally, the fair value of financial liabilities and financial assets is determined in accordance with discounted cash flow models at the market rate of interest and subject to the credit terms prevailing at the balance sheet date.

Financial instruments measured at fair value are categorised into the following levels of the fair value hierarchy:

Level 1: Observable market prices for identical instruments
Level 2: Valuation techniques primarily based on observable prices or traded prices for comparable instruments
Level 3: Valuation techniques primarily based on unobservable prices

The fair value of BoConcept's forward exchange contracts of other derivative financial instruments (commodity instruments) and debt to mortgage debt institutions is measured according to level 2 as the fair value can be established directly based on exchange rates published and forward interest rates specified at the balance sheet date.

29 DERIVATIVE FINANCIAL INSTRUMENTS AND RISK AND CAPITAL MANAGEMENT (CONTINUED)

Market risks
In BoConcept's case, market risks associated with financial instruments consist of foreign exchange risks and interest rate risks.

Foreign exchange risks
95% (last year 94%) of group revenue is produced abroad. This figure is not indicative of the foreign exchange risk since, under the group's purchasing policy, purchasing and selling currencies are matched whenever possible.

The group has net inflows denominated in EUR, GBP, JPY, PLN and SEK, while the major exposure on the outflow side is denominated in USD and CNY.

Foreign exchange risks are managed centrally, and the most important and volantile currencies are hedged by means of forward exchange contracts and option contracts with a maximum term of 12 months and, to a less extent, by raising loans in foreign currencies.

Foreign currency translation adjustments of investments in group enterprises with a functional currency different from that of the parent company are recognised directly in equity. Associated foreign exchange risks are not hedged since the group takes the view that ongoing hedging of such long-term investments would not be the best policy based on an overall evaluation of the risks and costs involved.

The isolated effects of a 5% increase in the foreign exchange rates at 30 April vis-a-vis DKK by translation of assets and obligations may be broken down as follows:

	2014	2013
USD		
Equity	262	456
Profit for the year	262	456
GBP		
Equity	541	1,784
Profit for the year	541	1,784
JPY		
Equity	1,032	1,384
Profit for the year	1,032	1,384

The below table states the EBIT effect of 5% foreign exchange increase compared with the average exchange rate realised per financial year.

	2014	2013
USD EBIT-effect	217	(676)
JPY EBIT-effect	2,951	3,008
GBP EBIT-effect	2,955	2,604
CNY EBIT-effekt	(789)	*

* No trade in CNY in 2013.

USD purchase in China has been effected by the CNY development compared to USD. A 5% strength of the CNY compared to USD effects the EBIT negatively by USD 1.2 million in 2013/2014 and USD 1.2 million in 2012/2013.

Particulars of the currencies having the greatest impact on the equity and profit for the year have been provided above.

The above analysis is based on the assumption that all other variables, especially the interest rate, remain constant. The expectations are based on current market data.

A corresponding drop in the exchange rates of the above currencies would have the same effect in reverse on the equity and profit for the year.

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29 DERIVATIVE FINANCIAL INSTRUMENTS AND RISK AND CAPITAL MANAGEMENT (CONTINUED)

Interest rate risks
The group's interest rate risk is related to interest rate fluctuations that may affect the group's cash flows related to interest receivable and interest payable as well as the fair value of financial instruments.

Analysis of sensitivity to interest rate risks
BoConcept expects the level of interest rates in Denmark to be affected by the interest rates in the Euro-zone and in the USA. Based on analyses in the Euro-zone and the USA, BoConcept expects the level of interest rates to change by up to one percentage point either way. A rise in the level of interest rates of one percentage point would have the effect outlined below on the equity and loss for the year:

	2014	2013
Equity	(350)	(27)
Loss for the year	(575)	(257)

A fall would have the same effect in reverse.

Most of the debt to mortgage credit institutions and other bank loans takes the form of contracts carrying variable rates of interest, this year as well as last year. However, this year we have concluded an interest rate swap agreement with a term of nine years and a fixed rate of interest of 2.0%, covering 56% of our total debt to mortgage credit institutions (79% last year). The weighted effective rate of interest, measured at the balance sheet date, was 2.7% compared with 2.9% last year.

The market value of the interest rate swap agreement in negative before tax by DKK 1.3 million (last year a negative value of DKK 1.6 million).

Capital management
In its capital management it is the group's aim to create the necessary calm to ensure the company's strategic progress and to produce a competitive return on shareholders' investments. At the same time the group aims to reduce the costs of capital.

The supervisory board of BoConcept Holding A/S regularly reviews the company's share and capital structure, and since the company's growth strategy is not capital-intensive, the board has decided that the company is to set itself a target of an equity ratio of at least 40% and at most 50% in future. The equity ratio has been calculated in accordance with the recommendations made by the Danish Society of Financial Analysts.

This implies that any excess liquidity from the profit for the year after tax must be paid back to the shareholders, either as dividend or via share buy back programmes or as a combination of the two. The supervisory board will determine the specific form of repayment based on the shareholders' best interest. However, dividend will always be distributed with due regard to the group's growth and cash requirements.

Besides we refer to pages 22-25 'Risk'.

30 NEW ACCOUNTING REGULATIONS

The IASB published the following new or revised accounting standards and interpretations, effective from 2014, which are assessed to be of relevance to BoConcept:

Amendment to IAS 32 'Financial instruments, presentation'
The amendment introduces additional application guidance in respect of when to offset financial assets and liabilities in the balance sheet.

Amendment to IAS 36 'Impairment of assets'
The amendment rolls back the requirement to disclose value in use for assets or cash generating units to which a significant amount of goodwill has been allocated. Further, it introduces additional disclosures if the basis of impairment is fair value less costs to sell.

IFRIC 21 'Levies'
IFRIC 21, levies, sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised.

The IASB published the following new or revised accounting standards and interpretations, which are neither effective nor approved by the EU.

IFRS 9 'Financial instruments'
The categories of financial assets are reduced to two:
-those measured as at fair value and
-those measured at amortised cost.

The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

Changes in fair value of non-derivative financial liabilities which are designated at fair value are recognised in other comprehensive income.

The standard introduces a new hedge accounting model that is designed to be more closely aligned with risk management activities.

IFRS 15 'Revenue from contracts with customers'
Revenue is recognised at change of control to the buyer. Based on the general principles the standard entails detailed guidance on revenue recognition, timing and further disclosures.

The new Madison sofa is available with manually or electric adjustable headrests and seats

The accessories collection completes the BoConcept expression and is an important tool in creating traffic to the store

DKK'000

1 MAY - 30 APRIL

Note		2013/14	2012/13
	Revenue	0	0
2	Administrative expenses	(4,767)	(5,556)
3	Other operating income	5,340	5,340
	Profit/loss before financial income and expenses	573	(216)
4	Pre-tax profit/loss from ordinary activities in group enterprises	(43,230)	5,470
5	Financial income	2,332	2,121
6	Financial expenses	(165)	(4)
	Profit/loss before tax	(40,490)	7,371
7	Tax on profit/loss for the year	23,750	(477)
	Profit/loss for the year	(16,740)	6,894
	Recommended appropriation of profits:		
	Transfer to net revaluation reserve	(43,230)	5,470
	Dividend proposed DKK 0 (DKK 0) per share	0	0
	Retained earnings	26,490	1,424
		(16,740)	6,894

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AT 30 APRIL

Note		2014	2013
	ASSETS		
8	Land and buildings	16,217	17,786
	Total tangible assets	16,217	17,786
4	Investments in group enterprises	114,614	163,918
9	Securities	105	105
	Total investments	114,719	164,023
	Total non-current assets	130,936	181,809
	Receivables in group enterprises	85,360	70,022
	Cash	0	1,256
	Total current assets	85,360	71,278
	TOTAL ASSETS	216,296	253,087
	LIABILITIES & EQUITY		
	Share capital	28,621	28,621
	Net revaluation according to the equity method	(3,191)	46,113
	Retained earnings	164,901	138,300
	Dividend proposed	0	0
10	**Total equity**	190,331	213,034
11	Deferred tax	12,580	35,461
	Provisions	12,580	35,461
	Credit institutions	8,048	0
	Total non-current liabilities	8,048	0
12	Credit institutions	3,934	0
	Income taxes	(206)	2,451
	Other payables	1,609	2,141
	Total current liabilities	5,337	4,592
	Total liabilities	5,337	4,592
	TOTAL LIABILITIES AND EQUITY	216,296	253,087
13	Contingent liabilities and security		

DKK'000

STATEMENT OF EQUITY MOVEMENTS (NOTE)

	Share capital	Net revaluation according to the equity method *	Retained earnings	Dividend proposed	Total
Equity at 1 May 2012	28,621	45,270	134,706	5,724	214,321
Costs of capital increase		0			0
Dividend distributed 2012/2013			0	(5,724)	(5,724)
Dividend treasury shares			54		54
Profit/loss for the year		5,470	1,424		6,894
Purchase treasury shares		(1,253)	0		(1,253)
Dividend from group enterprises		0	0		0
Reserve for exchange adjustments		(2,190)			(2,190)
Revaluation of hedging instruments		(1,184)			(1,184)
Sale of treasury shares		0	2,116		2,116
Share-based payments		0	0		0
Dividend proposed			0	0	0
Equity at 30 April 2013	28,621	46,113	138,300	0	213,034
Dividend distributed 2012/2013			0	0	0
Dividend treasury shares			0		0
Profit/loss for the year		(43,230)	26,490		(16,740)
Purchase treasury shares		0	0		0
Dividend from group enterprises		0	0		0
Reserve for exchange adjustments		(4,966)	0		(4,966)
Revaluation of hedging instruments		207			207
Sale of treasury shares		(53)	111		58
Share-based payments		(1,262)			(1,262)
Dividend proposed				0	0
Equity at 30 April 2014	28,621	(3,191)	164,901	0	190,331

DKK'000

1 ACCOUNTING POLICIES OF THE PARENT COMPANY

The parent company's annual report is presented in accordance with the Danish Financial Statements Act and NASDAQ OMX Copenhagen's disclosure requirements for listed companies.

The same accounting policies are applied to the consolidated financial statements with the following exceptions:

Investments in subsidiaries
Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are measured at the pro rata share of the company's equity value, calculated in accordance with the accounting policies applied by the group with the addition or deduction of unrealised intra-group profits and losses and with the addition or deduction of the balance of goodwill or negative goodwill, calculated in accordance with the purchase method.

Investments in subsidiaries with negative equity value are measured at zero, and any receivable from these enterprises is written down to the extent that it represents a bad debt. Where the parent company has an actual or constructive obligation to cover the company's losses, the balance will be recognised under the heading of provisions.

Net revaluation of investments in subsidiaries is recognised as a net revaluation reserve or accounted for under the equity method to the extent that the carrying amount exceeds the cost. Dividend from subsidiaries that is to be received before the adoption of the annual report of BoConcept Holding A/S will not be tied to the net revaluation reserve.

Goodwill and master rights
Goodwill in BoConcept A/S and its subsidiaries is amortised over the expected useful life of the asset, which is determined on the basis of the experience gained by the management within the individual business segments. Goodwill is amortised by the straight-line method over a period not exceeding ten years, the amortisation period being the longest for companies that have been acquired for strategic reasons and that have a strong marketing profile and a long-term earnings profile.

The carrying amount of goodwill is assessed at regular intervals, and if the carrying amount exceeds the estimated future net income generated by the business or activity to which the goodwill is attached, goodwill is written down to the recoverable amount via the income statement.

Master rights acquired to run and start up new BoConcept stores in a specific market are recognised in the balance sheet. Master rights are measured at cost less accumulated amortisation.

The Cupertino desk with integrated storage and speakers

2 COSTS

	2013/14	2012/13
Staff costs		
Reference is made to note 3 in the consolidated financial statement on page 50.		
No employees in the company neither this year nor last year.		
Share option schemes		
Reference is made to note 3 in the consolidated financial statement on pages 50 and 51.		
Depreciation, amortisation, write-downs and impairment losses		
Depreciation of tangible assets	1,750	1,656
	1,750	1,656
Depreciation, amortisation, write-downs and impairment losses are recognised in the income statement as follows:		
Administrative expenses	1,750	1,656
Fees to auditors appointed at the annual general meeting		
Aggregate fee, PwC	214	180
Aggregate fee, other auditors	0	0
	214	180
That break down as follows:		
Audit PwC	60	80
Tax consultancy PwC	154	100
Other assurance engagements PwC	0	0
Other service PwC	0	0
Other audit-related service, other auditors	0	0
	214	180

3 OTHER OPERATING INCOME

	2013/14	2012/13
Rent	4,500	4,500
Management fee	840	840
	5,340	5,340

DKK'000

4 INVESTMENTS IN GROUP ENTERPRISES

	2013/14	2012/13
Cost at the beginning of the year	117,805	117,805
Additions during the year	0	0
Disposals during the year	0	0
Cost at year-end	117,805	117,805
Revaluations at the beginning of the year	46,113	45,270
Disposals, sale	0	0
Dividend from group enterprises	0	0
Profit/loss for the year after tax	(43,230)	5,470
Exchange adjustment of group enterprises	(4,966)	(2,190)
Revaluation of hedging instruments	207	(1,184)
Acquisition of shares in BoConcept Holding A/S	(53)	(1,253)
Cost of share options	(1,262)	0
Revaluations at year-end	(3,191)	46,113
Carrying amount at year-end	114,614	163,918

Name and registered office

	Ownership share	Share capital	Equity	Profit/loss from ordinary activities before tax	Profit for the year
BoConcept A/S, Ølgod	100%	2,000	114,614	(51,349)	(43,230)

5 FINANCIAL INCOME

	2013/14	2012/13
Interest income, group enterprises	2,332	2,121
Total financial income	2,332	2,121

6 FINANCIAL EXPENSES

	2013/14	2012/13
Other interest expenses	165	4
Total financial expenses	165	4

7 TAX FOR THE YEAR

	2013/14	2012/13
Tax for the year breaks down as follows:		
Tax on profit/loss for the year	(23,750)	477
	(23,750)	477
Tax on profit for the year may be subdivided as follows:		
Current tax	1,007	576
Excess income tax set aside last year	(1,875)	0
Value adjustment of the retaxation balance due to the withdrawal from the international joint taxation scheme	(22,281)	0
Adjustment in deferred tax due to a percentage change	(274)	0
Deferred tax	(327)	(99)
	(23,750)	477
Tax on profit/loss for the year may be explained as follows:		
Calculated 24.5% tax on profit/loss for the year before tax	671	475
Excess income tax set aside last year	(1,875)	0
Value adjustment of the retaxation balance due to the withdrawal from the international joint taxation scheme	(22,281)	0
The tax effect of:		
Adjustment of deferred tax as a percentage	(274)	0
Non-taxable income and non-deductible expenses etc.	9	2
	(23,750)	477
Effective tax rate	(866.8)	25.1

8 TANGIBLE ASSETS

	Land and buildings	
	2014	2013
Acquisition cost at the beginning of the year	69,322	68,295
Additions	181	1,027
Disposals	0	0
Acquisition cost at year-end	69,503	69,322
Depreciation at the beginning of the year	51,536	49,880
Depreciation for the year	1,750	1,656
Depreciation related to disposals	0	0
Depreciation at year-end	53,286	51,536
Carrying amount at year-end	16,217	17,786
Depreciated over a period of	10-25 years	10-25 years

9 INVESTMENTS

	Securities	
	2014	2013
Cost at the beginning of the year/year-end	105	105

DKK'000

10 SHARE CAPITAL

	Number of shares		Nominal value	
	2014	2013	**2014**	2013
A-shares, at the beginning of the year/year-end	240,000	240,000	2,400	2,400
B-shares, at the beginning of the year/year-end	2,622,119	2,622,119	26,221	26,221
	2,862,119	2,862,119	28,621	28,621

On 18 September 2009 in connection with the new issue the B-share capital has been increased by 238,374 shares of a nominal value of DKK 10 each at price 110. Each class A-share carries 10 votes whereas each class B-share carries 1 vote.

Please see note 3 in consolidated financial statement concerning allotted warrants.

	Number of shares		Nominal value		Percentage of share capital	
Treasury shares	**2014**	2013	**2014**	2013	**2014**	2013
1 May	12,700	31,900	127	319	0.45	1.12
Acquisition	0	0	0	0	0.00	0.00
Sale	(1,300)	(19,200)	(13)	(192)	(0.05)	(0.67)
Treasury shares at 30 April	11,400	12,700	114	127	0.40	0.45

11 DEFERRED TAX

	2014	2013
Deferred tax at the beginning of the year	35,461	37,435
Value adjustment due to the withdrawal from the international joint taxation scheme	(22,281)	0
Transferred to current tax	(274)	(99)
Deferred tax for the year	(326)	0
Internal transferred joint taxation charge	0	(1,875)
Deferred tax at year-end	12,580	35,461
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (asset)	0	0
Deferred tax (liability)	12,580	35,461
Net deferred tax at year-end	12,580	35,461
Deferred tax relates to:		
Tangible assets	1,956	2,556
Provisions	10,624	32,905
	12,580	35,461

Please see note 14 deferred tax in consolidated financial statements.
Deferred tax contains payable joint taxation contribution to the management company of DKK 12.0 million.

12 CREDIT INSTITUTIONS

	2014	2013
Credit institutions, mortgage credit institutions and banks	8,627	0
Credit institutions, overdraft facility	3,355	0
	11,982	0
May be classified as follows:		
Due within year one	3,934	0
Due within one to five years	2,342	0
Due after five years	5,706	0
Total credit institutions	11,982	0

13 CONTINGENT LIABILITIES AND SECURITY

	2014	2013
Land and buildings recognised at:	16,217	17,786
Are charged in addition to the mortgage debt of:	8,627	0
Subject to letter of indemnity of:	25,000	25,000
Mortgage of:	45,478	30,000

BoConcept Holding A/S has provided guarantees for the bank loans raised by its subsidiaries.

14 RELATED PARTIES

Reference is made to note 28 in the consolidated financial statements on page 62.

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This annual report is available in Danish and English.
In case of doubt, the Danish version shall apply.