BoConcept Holding A/S
Mørupvej 16
DK-7400 Herning

Tel. +45 7013 1366
Fax +45 9626 7211

holding@boconcept.com
www.boconceptholding.com

ANNOUNCEMENT NO 14/2014

ANNOUNCEMENT OF FINANCIAL RESULTS FOR THE FIRST SIX MONTHS OF 2014/2015 FOR BOCONCEPT HOLDING A/S

Revenue and same-store-sales grew by 6.0% and 9.2% in the first six months of the financial year. However, high costs incurred in the collection switch-over and poor performance in parts of the chain reduced profits, so BoConcept will be launching a strategic transformation of the business model to reorganise the chain, consolidate its franchise model and reduce the complexity. These measures will necessitate extraordinary write-downs and provisions totalling DKK 70 million in 2014/2015.

Second quarter of 2014/2015 (1 August 2014 to 31 October 2014)

- Revenue was DKK 292.8 million, up by 3.9% from the previous year
- Same-store-sales (order intake) rose by 7.9%
- Extraordinary write-downs and provisions in the amount of DKK 57.8 million
- The gross profit margin was 38.5%, compared with 42.3% last year
- EBIT was in the amount of DKK (57.2) million, (DKK 0.3 million before extraordinary expenses)
- 7 new brand stores opened and 7 closed. The chain now consists of 262 stores

First six months of 2014/2015 (1 May 2014 to 31 October 2014)

- Revenue was DKK 560.0 million, up 6.0% on the same period last year
- Same-store-sales (order intake) rose by 9.2%
- The gross profit margin was 40.2%, compared with 42.2% last year
- EBIT was in the amount of DKK (62.8) million (DKK (5.3) million before extraordinary expenses)
- 11 stores opened and 15 closed in the year to date
- The balance sheet total was DKK 561.7 million at 31 October 2014
- Cash flow before instalments on long-term debt was a cash outflow of DKK 38.9 million, compared with a cash outflow of DKK 56.2 million last year

Strategic transformation of business model launched

After a significant upgrade of BoConcept's concept and collection, management is now implementing an adjustment of its business base and model. 35-50 of the worst performing stores will either have new franchisees or be closed, the group will adopt a narrower focus on its market portfolio and improve efficiency, and the franchise model will be optimised. The adjustments will increase the group's EBIT to 5-7% in the 2016/2017 financial year, but will necessitate extraordinary provisions and write-downs of DKK 70 million in 2014/2015. Of this amount, DKK 57.8 million was charged to the income statement for the second quarter of 2014/2015.

To ensure that these operational adjustments receive maximum backing and can be executed, the group will make the following internal changes to BoConcept's supervisory board: Peter Thorsen will be appointed chairman and Viggo Mølholm deputy chairman. In addition, the board has decided to extend the executive board with a COO as head of logistics and production.

Downward adjustment of forecast for the 2014/2015 financial year

With the positive contribution of growth in same-store sales, revenue will grow in the remainder of the financial year, but closing stores will reduce revenues more than previously predicted. Growth in profit from ordinary activities in the remainder of the financial year will offset losses from ordinary activities in the first half of 2014/2015, and the strategic transformation process will result in extraordinary expenses. We are therefore making a downward adjustment of our predictions for the 2014/2015 financial year as follows:

- Revenue growth of about 3-5% (previously 5-8%)
- A break-even operating income (EBIT) before extraordinary expenses (previously 2-3% EBIT margin)
- Extraordinary operating expenses of DKK 70 million

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

2014/2015 FINANCIAL HIGHLIGHTS FOR THE GROUP

	Q2 2014/15	Q2 2013/14	YTD 2014/15	YTD 2013/14	1 May 2013 30 April 2014
Income statement (DKK million)					
Revenue	292.8	281.7	560.0	528.4	1,049.5
Gross profit	112.6	119.2	225.2	223.2	448.8
Profit (loss) before interest and depreciation (EBITDA)	(32.2)	16.9	(28.5)	14.2	15.6
Profit (loss) before financial items (EBIT)	(57.2)	7.0	(62.8)	(4.7)	(21.7)
Financial items, net	0.3	(0.6)	(1.6)	(0.8)	(2.0)
Profit (loss) before tax	(56.9)	6.3	(64.4)	(5.4)	(23.7)
Profit (loss) after tax	(46.3)	4.2	(52.5)	(4.4)	(12.8)
Balance sheet (DKK million)					
Non-current assets			236.8	269.4	249.2
Current assets			324.9	337.9	332.6
Balance sheet total			561.7	607.3	581.8
Equity at the end of the reporting period			158.9	221.0	210.3
Interest-bearing debt			170.4	131.0	128.2
Cash flow (DKK million)					
Cash flow from operating activities			(32.2)	(24.4)	5.0
Cash flow from investing activities			(6.7)	(31.8)	(59.4)
Of this amount, net investment in property, plant and equipment			(3.8)	(11.5)	(28.4)
Cash flow before financing activities			(38.9)	(56.2)	(54.5)
Financial ratios					
Operating margin, percentage	(19.5)	2.5	(11.2)	(0.9)	2.1
Return on net assets (for the period), percentage			(11.0)	(0.8)	(3.9)
Cash flow as a percentage of revenue			(6.9)	(10.6)	(5.2)
Net working capital as a percentage of revenue			8.4	10.5	8.9
Earnings per share before tax	(19.9)	2.2	(22.5)	(1.9)	(8.0)
Book value			56	77	73
Return on equity before tax, percentage			(33.9)	(2.4)	(5.9)
Equity ratio, percentage			28.3	36.4	36.1
Average number of full-time employees			627	610	627
Stock market ratios					
Dividend, DKK million			0.0	0.0	0.0
Market price			87.5	93.0	97
Share capital, DKK million			28.6	28.6	28.6
Price/book value			1.6	1.2	1.3
Price/earnings ratio			N/A	N/A	N/A

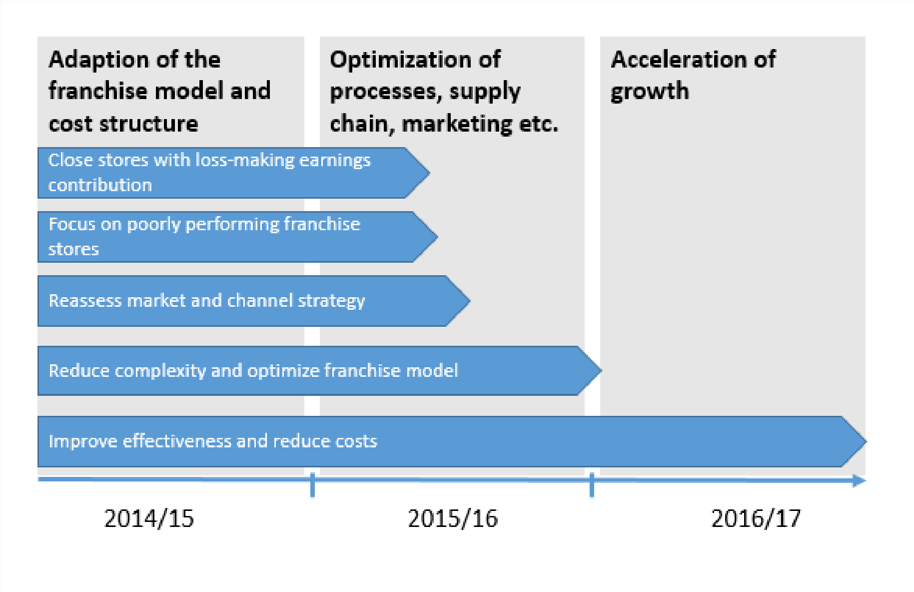
The interim financial statements, which have not been audited, cover the period from 1 May to 31 October 2014. The accounting policies applied in these interim financial statements are the same as those applied in the 2013/2014 annual report.

STRATEGIC TRANSFORMATION OF BUSINESS MODEL

BoConcept rolled out its most comprehensive upgrade of concept and collection ever in 2013/2014. In September 2014, BoConcept launched a collection of which 60% was new or updated products and introduced a new communications platform and store layout.

The upgrade was very favourably received, boosting same-store-sales in most parts of the chain. Unfortunately, too many stores failed to translate concept, collection and support into satisfactory earnings.

As a result, BoConcept is launching an adjustment of its business base and model. The adjustment will include closing and re-franchising the worst performing stores, narrowing our market portfolio, improving efficiency and cutting costs. This should increase average earnings in stores and restore BoConcept's growth and earnings capacity over the next one or two years.



Critical review of stores

Despite allocating considerable resources to support and assistance, profit trends have been disappointing in about 20% of our brand stores in recent years, and the accumulated provisions for bad debts of DKK 73 million, or about 3% of revenues since 1 May 2012, have been a great strain on the group's earnings.

We are therefore implementing a large-scale reorganisation of the chain directed at the worst performing 35-50 stores. Under this process, we will conduct a search for new franchisees to run stores that are deemed to have potential. The remaining stores, corresponding to 20-30 franchise and own stores, will be closed in the course of next year, primarily in Europe and the Americas. At the same time, the group will introduce a more restrictive credit policy with shorter credit periods. The introduction of these measures is expected to reduce provisions to their normal level of about 1% of revenue in the 2015/2016 financial year.

Priority-setting leads to exit from 5-10 markets

To allocate resources and support to areas with the greatest potential, BoConcept will make marketing and sales in its principal markets a priority and develop a model for differentiated services and distribution to other markets. In the view of management, 5-10 of the 60 markets in which the group currently operates will be unable to make a satisfactory earnings contribution and we will therefore exit these markets before the end of the 2015/2016 financial year.

Less complexity and optimising the franchise model will increase sales and reduce costs

Having completed a comprehensive collection upgrade, we are adopting a considerably more dynamic launch strategy. Rather than having one annual collection update, we will introduce and phase out products over the course of the year, thus constantly stimulating store traffic.

By maintaining our current collection with its many new products until 2016, making only a few updates and optimisations, we create a calm environment for development, production, logistics and sale. The change will also considerably reduce costs for development, collection updates, catalogues etc. in the years ahead, and stores will be free to concentrate on sales-promoting activities that strengthen their own and the group's earnings.

Focusing on efficiency and tight cost control

Capacity costs still need to be reduced. Apart from the savings achieved in reducing the complexity of our business, as mentioned above, simplifications and innovative thinking will increase efficiency through ongoing process optimisation, a more flexible cost structure and an emphasis on cost restraint.

Restoring profit in 2015/2016 and generating a sizeable increase in operating margin from 2016/2017

The above measures will considerably improve the health of the chain, enhance the franchise model and ensure future efficiency improvements – essential ingredients for achieving an operating margin of 5-7% in the 2016/2017 financial year.

This financial year, we incur extraordinary expenses of DKK 18 million to cover the closure of the group's own stores, DKK 40 million to cover extraordinary provisions for losses incidental to the closure of franchise stores, and DKK 12 million to cover impairment losses related to goodwill and master rights. Of the total expenses amounting to DKK 70 million, DKK 57 million were charged to the income statement in the second quarter of 2014/2015.

The above steps will result in a positive operating margin in 2015/2016 despite the expected revenue decline incidental to store closures.

To ensure that these operational adjustments receive maximum backing and can be put into effect, the group is making the following internal changes to the supervisory board: Peter Thorsen is appointed chairman of the board. Mr Thorsen, who has been the deputy chairman of BoConcept's supervisory board since 2013, has extensive knowledge of operations, business development and turn-around processes in international businesses. In consultation with the group's day-to-day management, he will secure the best possible basis for and focus on the implementation of the revamped business model. Viggo Mølholm is joining the supervisory board as deputy chairman. In addition, the board has decided to extend the executive board with a COO as head of logistics and production.

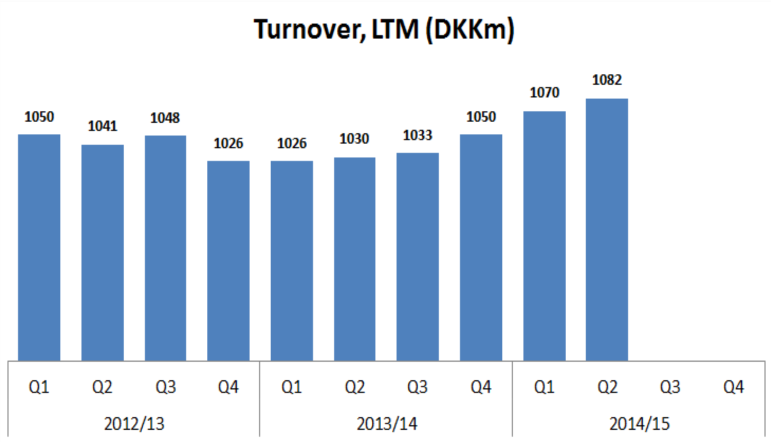
REVENUE TRENDS

Revenue growth of 6.0% in the first half of 2014/2015
BoConcept Holding's (BoConcept) revenue rose to DKK 292.8 million in the second quarter of the 2014/2015 financial year (DKK 281.7 million). Since the foreign exchange effect remained neutral during the quarter, the 3.9% growth was primarily attributable to higher brand store sales.

In September, BoConcept launched the most radical update to its concept and collection in the company's history, which was very favourably received indeed and caused a boost in sales of new and updated products. Unfortunately, this presented a challenge to our logistics function that resulted in longer-than-normal delivery times. This in turn had a negative impact on sales, and revenue growth at the end of the second quarter of 2014/2015 was lower than expected. The order intake exceeded last year's by DKK 18 million at the end of October 2014.

Revenue trends	DKK million
Actual, 2013/2014, second quarter	281.7
Exchange rate effect	0.1
Net change, brand stores	11.2
Net change, studios	(0.2)
Actual, 2014/2015, second quarter	292.8

Revenue trends	DKK million
Actual, 2013/2014, year to date	528.4
Exchange rate effect	(4.2)
Net change, brand stores	41.5
Net change, studios	(5.7)
Actual, 2014/2015, year to date	560.0



In the first six months of 2014/2015, revenues rose by 6.0% compared with last year, and brand store sales rose by 8.5%.

New markets drive sales growth
The growth markets in Asia and the Middle East were the main drivers of revenue growth. Western markets are still struggling with difficult sales conditions.

Revenue by region (DKK million)	2014/15 Q2	2013/14 Q2	Index	2014/15 YTD	2013/14 YTD	Index
Europe	**170.3**	**167.7**	**101.6**	**312.0**	**310.4**	**100.5**
France	*41.3*	*38.2*	*108.1*	*71.5*	*64.7*	*110.5*
Germany	*34.7*	*34.6*	*100.3*	*69.7*	*64.6*	*107.9*
Middle East & Africa	**16.9**	**9.6**	**176.0**	**28.6**	**19.1**	**149.7**
North America	**30.7**	**33.8**	**90.8**	**67.8**	**67.2**	**100.9**
USA	*26.4*	*29.6*	*89.2*	*57.7*	*59.2*	*97.5*
Latin America	**14.6**	**17.9**	**81.6**	**32.1**	**33.7**	**95.3**
Asia & Australia	**60.3**	**52.7**	**114.4**	**119.5**	**98.0**	**121.9**
Japan	*26.3*	*31.7*	*83.0*	*55.9*	*57.9*	*96.5*
Total	**292.8**	**281.7**	**103.9**	**560.0**	**528.4**	**106.0**

We were unable to maintain the momentum from the first quarter in Germany, as sales were affected by stagnant markets. Nevertheless, BoConcept saw same-store-sales rise to their highest level in almost three years as a result of aggressive marketing.

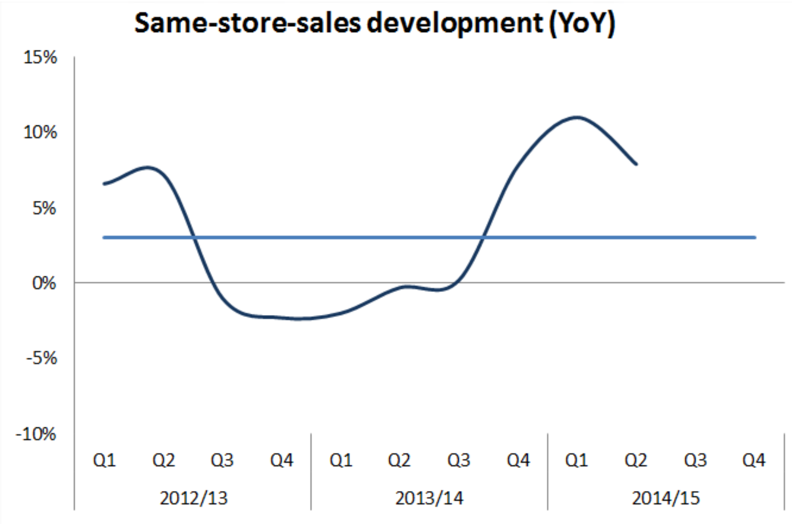
Sales in France fluctuate dramatically from month to month. Considerable funds are still being allocated to marketing to compensate for difficult market conditions, while marketing campaigns shielded same-store-sales.

Stores in the UK show consistent growth in same-store-sales. Revenues in our own stores in Denmark and Sweden are flat, and market conditions remain challenging.

The growth trend seen in the USA in the first quarter was completely reversed. After a period with growth in same-store-sales, store revenues were plagued by delivery and logistics problems in connection with the launch of our new collection. As a result of this and a higher number of poorly performing stores, same-store-sales declined in the second quarter.

The Middle East experienced impressive growth driven by new enterprising franchisees who translated the concept into immediate success.

In terms of the local currency, Japan continues to enjoy steady growth in same-store-sales. Performance improved dramatically in China after BoConcept acquired the master rights last year. Same-store-sales showed excellent growth.



Following growth in same-store-sales of 10.6% in the first quarter of the year, momentum was maintained in the second quarter of 2014/2015, with same-store-sales growing by 7.9%. Same-store-sales in the year to date total 9.2%, which is as expected.

Together with a higher level of marketing activity, the new communications platform brings more traffic to our website and stores, and an increase in hit rate shows that our many new products and updated concept are being favourably received by our customers. Most parts of the chain are able to translate this trend into higher sales, whereas the parts already performing poorly generally fail to do so despite support and assistance from BoConcept. Management will now take action as mentioned above and implement a major restructuring of the chain.

Expansion in number of stores

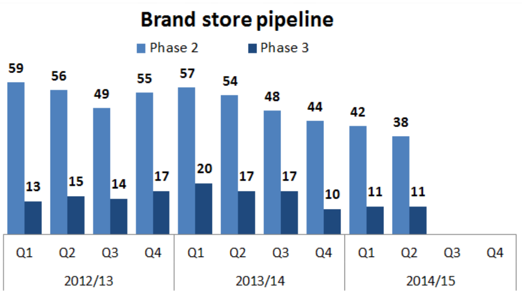
Brand store sales accounted for 95% of BoConcept's revenue in the first six months of 2014/2015; the remaining 5% was generated by BoConcept Studios.

	2014/15 YTD	2014/15 YTD	31 Oct. 2014			Pipeline 31 Oct. 2014	
	Openings	Closings	Stores	Of this own stores	Studios	Phase 2	Phase 3
Europe	**5**	**7**	**147**	**12**	**42**	**10**	**5**
France	2	0	33	1		3	1
Germany	2	0	26			2	2
UK	0	0	14	1	2	2	
Spain	0	5	5	2	1	1	
Denmark	0	0	8	6			
Sweden	0	0	4	2	1		
Norway	0	0	0		14		
Middle East & Africa	**0**	**0**	**11**			**4**	**2**
North America	**0**	**1**	**28**	**2**		**5**	**2**
USA	0	1	24	2		5	2
Latin America	**1**	**1**	**23**			**8**	**1**
Asia	**5**	**6**	**53**	**16**		**11**	**1**
Japan	0	3	16	7		0	0
China	2	0	20	9		7	1
Total	**11**	**15**	**262**	**30**	**42**	**38**	**11**

We opened seven new brand stores in Nigeria, Australia, Thailand, Spain, China and France in the second quarter of 2014/2015. All stores were opened by franchisees, so the number of stores remains the same as before. At the same time, we closed seven stores: four in Spain and the rest in Russia, India and the USA.

Accordingly, 11 new stores have been opened and 15 closed in the year to date. The total number of stores remains constant at 262.

Total investments through the Location Involvement programme rose marginally to reach DKK 23.7 million after new allocations of DKK 2.6 million and payment of loan instalments totalling DKK 1.4 million.



There are 11 new stores in phase 3 of the pipeline and 38 in phase 2. The end phase of the pipeline keeps the momentum high, even though the group is concentrating on optimising sales in existing stores. For the remainder of the year, most of the new stores opening will be in existing markets in Europe and the USA and in the growth markets in Asia and Latin America.

PROFIT TRENDS

Non-recurring expenses have significant effect on the profit

As a result of the implementation of the strategic adjustments, extraordinary provisions and write-downs totalling DKK 52.4 million has been booked in the second quarter of 2014/2015, as mentioned above. Of this amount, DKK 7.4 million covers provisions for the closure of own stores, DKK 38.2 million covers provisions for losses from the closure of poorly performing franchise stores, and DKK 12.2 million covers impairment losses relating to goodwill and master rights incurred in the process of making the group's principal markets a priority in future.

As a result of extraordinary expenses in combination with costs incurred in the realisation of inventories and increased costs for production and marketing, the group booked a significant operating loss in the second quarter of 2014/2015.

(DKK million)	Q2 2013/14	Business model and other	Own stores, net	Collection switch-over	Exchange rate effect	Additional write-downs and provisions	Q2 2014/15
Revenue	281.7	8.6	3.8	(1.4)	0.1		292.8
Production costs	(162.5)	(9.1)	0.0	(6.9)	1.5	(3.2)	(180.2)
Gross profit (loss)	119.2	(0.5)	3.8	(8.3)	1.6	(3.2)	112.6
Capacity costs	(112.3)	1.6	(5.0)	0.0	0.5	(54.6)	(169.8)
Operating profit (loss)	6.9	1.1	(1.2)	(8.3)	2.1	(57.8)	(57.2)
as a percentage of revenue	2.4%						(19.5%)

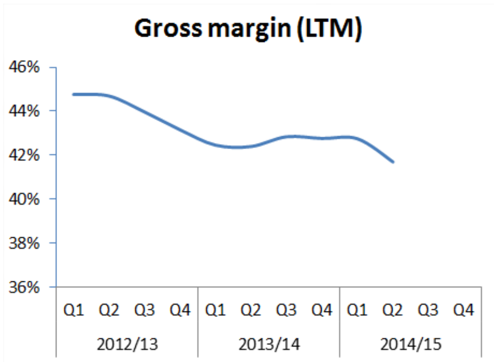
The collection switch-over in the first half of 2014/2015 triggered discounts on the realisation of old stock to the tune of DKK 7.3 million and increased production costs by DKK 9.3 million. Adding non-recurring costs for the replacement of fabric and leather swatches reduced operating profit by DKK 21.3 million relative to last year.

(DKK million)	YTD 2013/14	Business model and other	Own stores, net	Collection switch-over	Exchange rate effect	Additional write-downs and provisions	YTD 2014/15
Revenue	528.4	35.4	7.7	(7.3)	(4.2)		560.0
Production costs	(305.2)	(21.0)	0.0	(9.3)	3.9	(3.2)	(334.8)
Gross profit (loss)	223.2	14.4	7.7	(16.6)	(0.3)	(3.2)	225.2
Capacity costs	(227.9)	6.6	(9.1)	(4.7)	1.7	(54.6)	(288.0)
Operating profit or loss	(4.7)	21.0	(1.4)	(21.3)	1.4	(57.8)	(62.8)
as a percentage of revenue	(0.9%)	59.3%					(11.2%)

Gross profit adversely affected by collection switch-over

The group's gross profit margin for the first six months of 2014/2015 was 38.5% compared with 42.3% the year before. Certain product groups in the new collection have lower contribution margins, but the main reason for the decline was higher costs incurred in the realisation of inventories.

Gross profit margin trends	YTD
2013/2014	**42.2%**
Exchange rate effect	0.3%
Extraordinary expenses	(0.6%)
Own stores, net	0.8%
Collection switch-over	(2.6%)
Productivity	0.1%
2014/2015	**40.2%**



Gross profit for the first six months of 2014/2015 was 40.2%, compared with 42.2% in the previous year. The margin was boosted by the effect of exchange rates and our own stores, but the collection switch-over cost 2.6 percentage points in terms of discounts, obsolescence and higher payroll and inventory costs. Extraordinary expenses in connection with the closure of the group's own stores cost 0.6 percentage points. We expect the gross profit margin to be back at its normal level of about 42% from the third quarter of 2014/2015 onwards.

The sourcing ratio was 79% of revenue at the end of October 2014 against 79% same period last year.

Capacity costs affected by extraordinary expenses and collection switch-over
In addition to increased marketing costs and costs incidental to our own stores, capacity costs were also heavily affected by extraordinary expenses in the second quarter and first six months of 2014/2015.

In the second quarter and the first six months of the financial year, we made ordinary provisions for losses for bad debts of DKK 3.7 million and DKK 14.0 million respectively, to which must be added extraordinary provisions for losses for bad debts of DKK 38.2 million. At the same time last year, provisions were DKK 5.5 million in the second quarter,s and DKK 15.3 million in the first six months, of the financial year.

We are continuing to improve efficiency in administration; such improvements were responsible for the DKK 4.4 million cost reduction in the second quarter of 2014/2015 and DKK 9.1 million in the year to date compared with last year.

We charged DKK 16.1 million to the income statement for impairment losses related to goodwill, master rights and non-current assets, recognised under the item 'other operating expenses'.

Very unsatisfactory profit trends
BoConcept realised an operating loss (EBIT) of DKK 57.2 million in the second quarter of 2014/2015. Leaving extraordinary expenses out of the equation, the group booked a profit of DKK 0.3 million, compared with a profit of DKK 6.9 million last year.

The group booked an ordinary operating loss of DKK 62.8 million in the first six months of 2014/2015. With respect to the first six months of 2014/2015, the loss on ordinary operating activities was DKK 5.3 million, in addition to the extraordinary expenses, which is lower than expected and very unsatisfactory: especially in the second quarter, sales did not match the higher costs incurred and were also affected by initial problems with logistics.

The group booked a pre-tax loss of DKK 64.4 million in the first six months of 2014/2015 compared with a loss of DKK 5.4 million last year.

BALANCE SHEET

Goodwill impairment and less investment
The balance sheet total was DKK 561.7 million at 31 October 2014, or DKK 20.1 million less than at the beginning of the financial year,

Apart from a slight increase in financial assets due to investment in the Location Involvement programme, investment in non-current assets was less than depreciation charges. As already mentioned, impairment losses relating to goodwill and master rights total DKK 12.2 million.

Net working capital reflects season and collection switch-over
Net working capital was DKK 91.1 million at the balance sheet date, compared with DKK 109.2 million last year, or 8.4% and 10.5% respectively of the revenue earned in the previous 12 months.

Inventories were DKK DKK 151.0 million compared with DKK 134.1 million last year as a result of seasonal fluctuations combined with the large-scale collection launch.

At the balance sheet date, receivables amounted to DKK 131.3 million. Leaving extraordinary provisions out of the equation, debtor days were 51 compared with 54 last year.

As regards liabilities, trade payables grew marginally, and prepayments from customers accounted for most of the sales activity.

Equity affected by write-downs
At the balance sheet date, the group's equity amounted to DKK 158.9 million, equivalent to an equity ratio of 28.3%.

As planned, BoConcept reduced its extended drawing facilities, which run up to and including February 2015, from DKK 25 million to DKK 10 million. Interest-bearing debt amounted to DKK 170.4 million at the end of October 2014, compared with DKK 128.2 million at the beginning of the year, which breaks down to DKK 67.7 million in non-current liabilities and DKK 102.7 million in current liabilities.

The group had DKK 19.9 million in cash at the balance sheet date and unused credit facilities totalling DKK 32.0 million.

CASH FLOW

Cash flows reflect season
As a result of the operating loss and more funds tied up in working capital due to the collection switch-over, the group's cash flow from operations was a cash outflow of DKK 32.2 million compared with a cash outflow of DKK 24.4 million the year before.

Cash flow before instalments on long-term liabilities and after net investments of DKK 6.7 million in the period was a cash outflow of DKK 38.9 million compared with a cash outflow of DKK 56.2 million last year, when the group invested a great deal in Chinese activities and the Location Involvement programme.

EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD
As mentioned above, BoConcept Holding has made internal changes to its supervisory board, appointing Peter Thorsen chairman and Viggo Mølholm deputy chairman.

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

FORECAST FOR 2014/2015

Downward adjustment of outlook due to profit trends in the first six months of 2014/2015

Management takes the view that revenue will be boosted by growth in same-store sales in the remainder of the financial year. However, as a result of removing the poorly performing stores from the chain, the number of new store openings will be lower than the number of closures, and this will reduce revenue to some extent. We expect total revenue to increase by 3-5% in the 2014/2015 financial year rather than the previously announced 5-8%.

In view of the favourable reception of our new collection and our having solved our initial logistics problems, combined with lower inventory costs and the discontinuation of obsolescent goods, we expect the loss from ordinary operating activities, before extraordinary expenses, in the first six months of the year to be offset by revenue growth in the second half of 2014/2015.

As a result, we expect a break-even operating income, before extraordinary expenses, for the full 2014/2015 financial year, compared with a previously announced EBIT margin of 2-3%. To this must be added extraordinary costs in connection with implementation of a strategic transformation of our business model which we expect will amount to roughly DKK 70 million.

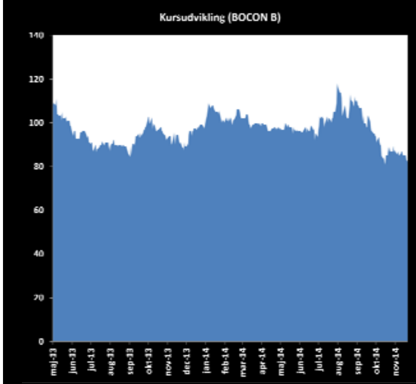
INVESTOR INFORMATION

Stock exchange announcements from 1 May 2014 to 31 October 2014

25.06.2014	Financial calendar
27.06.2014	Announcement of 2013/2014 financial results
02.07.2014	Insider trades
25.07.2014	Strategic partnering agreement with Kinetic to boost expansion in China
05.08.2014	Notice of general meeting of shareholders of BoConcept Holding A/S
09.09.2014	Revised articles of association
21.10.2014	Notice to major shareholders

Vocabulary

Brand store:	BoConcept store
Same-store-sales:	Revenue trend compared with sales trend in one particular store from one year to the next
Traffic:	Number of visitors/customers in the store
Hit rate:	The share of potential customers finding a product to buy
Basket size:	The size of the individual order
Pipeline:	Stores for which contracts to open have been signed



Financial calendar
05.03.2015 Q3 announcement 2014/2015

Investor contact

Hans Barslund, Vice President and CFO
telephone: (+45) 7013 1366

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

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

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

MANAGEMENT STATEMENT

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

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

In our opinion, the interim report gives a true and fair view of the group's assets, liabilities and financial position at 31 October 2014 and of the results of the group's operations and cash flow for the period 1 May to 31 October 2014.

Further, in our opinion, the management commentary gives a fair review of the development in the group's operations and financial matters, the results of the group's operations for the reporting period and the group's financial position as a whole and gives a true and fair description of the significant risks and uncertainties pertaining to the group.

Apart from the disclosures made in the interim report and the group's 2013/2014 annual report, there are no changes in the group's major risks and uncertainties. We consider the accounting policies applied expedient and the estimates adequate. Furthermore, in our view, the overall presentation of the interim report gives a true and fair view of the company's financial affairs. In our opinion, the interim report gives a true and fair view of the group's assets, liabilities and financial position and of the results of the group's operations and cash flow for the reporting period.

Herning, 5 December 2014

Executive board

Torben Paulin CEO	Hans Barslund CFO

Supervisory board

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

CONSOLIDATED INCOME STATEMENT

	01.08. - 31.10. 2014/2015 DKK'000	01.08. - 31.10. 2013/2014 DKK'000	01.05. - 31.10. 2014/2015 DKK'000	01.05. - 31.10. 2013/2014 DKK'000
Revenue	292.820	281.709	560.011	528.406
Production costs	-180.227	-162.487	-334.851	-305.179
Gross profit	112.593	119.222	225.160	223.227
Distribution costs	-135.432	-87.161	-232.759	-177.134
Administrative expenses	-18.250	-22.662	-39.057	-48.166
Other operating income	0	71	0	112
Other operating expenses	-16.125	-2.507	-16.139	-2.714
Operating profit / loss	-57.214	6.963	-62.795	-4.675
Financial income	2.199	1.025	3.455	1.641
Financial expenses	-1.909	-1.647	-5.101	-2.404
Operating profit / loss before tax	-56.924	6.341	-64.441	-5.438
Tax on profit/loss for the year	10.489	-2.106	11.949	1.080
Profit / loss for the period	-46.435	4.235	-52.492	-4.358
Broken down as follows:				
Shareholders of BoConcept Holding A/S	-46.080	4.323	-52.035	-3.871
Minority interests	-355	-88	-457	-487
	-46.435	4.235	-52.492	-4.358
Earnings per share				
Earnings per share	-16,29	1,51	-18,41	-1,36
Diluted earnings per share	-16,29	1,51	-18,41	-1,36

CONSOLIDATED TOTAL INCOME STATEMENT

Profit/loss for the period	-46.435	4.235	-52.492	-4.358
Revaluation of hedging instruments	-592	177	-1.266	916
Foreign currency translation, foreign units	735	-1.871	1.957	-2.860
	-46.292	2.541	-51.801	-6.302
Broken down as follows:				
Shareholders of BoConcept Holding A/S	-45.937	2.629	-51.344	-5.815
Minority interests	-355	-88	-457	-487
	-46.292	2.541	-51.801	-6.302

BoCONCEPT

CONSOLIDATED BALANCE SHEET

Q2	31.10.14 DKK'000	31.10.13 DKK'000	30.04.14 DKK'000
ASSETS			
Goodwill	11.398	18.147	16.323
Master rights	36.786	40.828	42.225
Software	19.825	13.385	22.085
Intangible assets in progress	6.628	7.214	6.572
Total intangible assets	74.637	79.574	87.205
Land and buildings	62.261	68.597	65.420
Leasehold improvements	19.388	23.021	23.648
Plant and machinery	15.048	12.964	17.886
Fixtures and operating equipment	6.444	5.668	7.873
Property, plant and equipment in progress	716	5.409	514
Total tangible assets	103.857	115.659	115.341
Deferred tax	21.032	31.583	8.610
Other financial assets	25.387	27.382	24.863
Deposits	11.910	15.209	13.202
Total other non-current assets	58.329	74.174	46.675
Total non-current assets	236.823	269.407	249.221
Inventories	151.006	134.142	143.381
Trade receivables	131.299	159.830	144.522
Other receivables	22.737	24.907	28.406
Cash and cash equivalents	19.883	19.059	16.320
Total current assets	324.925	337.938	332.629
TOTAL ASSETS	561.748	607.345	581.850

	31.10.14 DKK'000	31.10.13 DKK'000	30.04.14 DKK'000
LIABILITIES AND EQUITY			
Share capital	28.621	28.621	28.621
Translation reserve	981	-4.180	-6.286
Hedging reserve	-7.552	-267	-976
Retained earnings	136.862	196.838	188.897
Dividend proposed	0	0	0
Equity share, BoConcept Holding A/S shareholders	158.912	221.012	210.256
Minority interests	-1.367	-278	-812
Total equity	157.545	220.734	209.444
Deferred tax	10.698	44.509	11.747
Employee bonds	0	1.299	0
Other provisions	9.200	8.541	9.484
Mortgage credit institutions and banks	67.710	60.323	68.940
Total non-current liabilities	87.608	114.672	90.171
Employee bonds	1.299	1.375	1.299
Mortgage credit institutions and banks	101.426	69.363	57.924
Trade payables	108.627	106.020	118.485
Prepayment from customers	42.830	30.832	39.818
Income tax payable	0	6.792	-387
Other payables	62.413	57.557	65.096
Total current liabilities	316.595	271.939	282.235
Total liabilities	404.203	386.611	372.406
TOTAL LIABILITIES AND EQUITY	561.748	607.345	581.850

CONSOLIDATED CASH FLOW STATEMENT

	1.5. - 31.10. 2014/2015 DKK'000	1.5. - 31.10. 2013/2014 DKK'000
Revenue and other operating income	560.011	528.518
Operating expenses	-622.806	-533.193
Adjustment for non-cash items	89.928	34.000
Change in net working capital	-56.595	-52.916
Cash flow from operating activities before financial items	-29.462	-23.591
Interest income etc.	3.455	1.641
Interest paid	-5.286	-1.886
Income taxes paid	-914	-539
Cash flow from operating activities	-32.207	-24.375
Acquisition of intangible assets	-2.432	-10.496
Sale of of intangible assets	0	0
Acquisition of tangible assets	-3.819	-11.495
Sale of of tangible assets	35	3
Acquisition of financial assets	-839	-10.625
Sale of financial assets	367	788
Acquisition of companies	0	0
Sale of companies	0	0
Cash flow for investing activities	-6.688	-31.825
Cash flow before financing activities	-38.895	-56.200
Instalment on long-term debt	-6.461	-4.753
Raising of long-term debt	2.606	17.932
Shareholders:		
Capital increase	0	0
Sale of treasury shares	0	58
Acquisition of treasury shares	0	0
Dividend paid	0	0
Cash flow from financing activities	-3.855	13.237
Cash inflow/outflow for the year	-42.750	-42.963
Cash and cash equivalents less short-term bank debt, beg. of year	-31.712	-888
Revaluation of cash and cash equivalents	185	-518
Cash and cash equivalents at year-end	-74.277	-44.369
The amount may be broken down as follows:		
Cash without restrictions	19.883	19.059
Short-term debt to credit institutions	-94.160	-63.428
	-74.277	-44.369

CONSOLIDATED EQUITY MOVEMENTS
Q2

	Share capital	Translation reserve	Hedging reserve	Retained earnings	Dividend proposed	Total
Equity 1 May 2013	28.621	-1.320	-1.183	201.914	0	228.032
Acquisition of treasury shares				0		0
Sale of treasury shares				58		58
Distributed dividend				0	0	0
Dividend proposed					0	0
Dividend treasury shares				0	0	0
Costs of share options				-1.263		-1.263
Total transactions with shareholders	28.621	-1.320	-1.183	200.709	0	226.827
Total income for the period		-2.860	916	-3.871		-5.815
Equity 31 October 2013	57.242	-4.180	-267	196.838	0	221.012
Equity 1 May 2014	28.621	-976	-6.286	188.897	0	210.256
Acquisition of treasury shares				0		0
Sale of treasury shares				0		0
Distributed dividend				0	0	0
Dividend proposed				0	0	0
Dividend treasury shares				0		0
Costs of share options				0		0
Total transactions with shareholders	28.621	-976	-6.286	188.897	0	210.256
Total income for the period		1.957	-1.266	-52.035		-51.344
Equity 31 October 2014	28.621	981	-7.552	136.862	0	158.912

Q2

1. Accounting policies applied

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

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

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

New IAS/IFRS implemented in the reporting period

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

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

2. Estimates and judgements

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

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

3. Segments

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

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

4. Tax on profit for the year

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

The effective tax rate of 28% comprises tax on profit for the period of 24.5% and non-deductible costs and additional tax abroad. Tax on losses in foreign entities, which are not expected to be utilised, are not recognised in the reporting period.

5. Related parties

BoConcept's related parties have changed as Viggo Mølholm has acquired 100% of the share capital in BoConcept Invest ApS (50% last year).

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

6. Contingent liabilities

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

	31.10.14	30.04.14
Contingent assets		
Sub-lease agreements concerning store premises	10.294	10.289
Contingent liabilities and security		
Land and buildings recognised at:	62.261	65.420
Production, plant and machinery recognised at:	7.110	8.886
Are charged in addition to the mortgage debt of:	52.921	54.105
Subject to letter of indemnity of:	50.000	50.000
Security (assets)	25.000	0
Non-terminable operating leases are as follows:		
0-1 year	39.676	43.578
1-5 years	73.566	84.878
>5 years	31.239	29.583
	144.481	158.039

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

BoConcept A/S has provided guarantee for franchisees' loans and rent guarantees of DKK 11.5 million (DKK 8.6 million as at 30.04.14).