

ANNOUNCEMENT NO. 2/2015Herning, 5 March 2015
hb/lb**ANNOUNCEMENT OF FINANCIAL RESULTS FOR THE FIRST NINE MONTHS OF THE 2014/2015 FINANCIAL YEAR FOR BOCONCEPT HOLDING A/S**

With revenue growth of 8.9%, growth in same-store-sales of 16.7% and lower provisions, the company made an operating profit in the third quarter of 2014/2015. We are fine-tuning our forecast for the full year to a positive EBIT before special expenses for the strategic transformation which is being rolled out as planned.

Third quarter of 2014/2015 (1 November 2014 to 31 January 2015)

- Revenue was DKK 277.1 million, up by 8.9% from the previous year
- Same-store-sales (order intake) rose by 16.7%
- The gross profit margin was 41.7%, compared with 44.1% last year
- Scheduled special expenses of DKK 6.1 million for strategic transformation
- EBIT was DKK 6.5 million (DKK 12.6 million before special expenses), corresponding to an EBIT percentage of 2.4
- Six new brand stores opened and six closed, i.e. the number of stores in the chain remains unchanged at 262

First nine months of 2014/2015 (1 May 2014 to 31 January 2015)

- Revenue was DKK 837.1 million, up 6.9% on the same period last year
- Same-store-sales (order intake) were up by 11.9%
- The gross profit margin was 40.7%, compared with 42.8% last year
- Scheduled special expenses for strategic transformation totalled DKK 63.9 million
- EBIT was DKK 56.3 million in the negative (DKK 7.6 million before special expenses)
- 17 stores opened and 21 closed in the year to date
- The balance sheet total was DKK 553.3 million at 31 January 2015
- Cash flow before instalments on non-current debt was an outflow of DKK 19.9 million, compared with an outflow of DKK 81.4 million last year

Forecast for the 2014/2015 financial year fine tuned

We are in the process of implementing the first stages of the strategic transformation of our business model, primarily closing and refranchising the worst performing stores, and this work is progressing according to plan. In view of the favourable developments during the third quarter of 2014/2015, we are fine-tuning our predictions for the 2014/2015 financial year as follows:

- Revenue growth of about 5-6% (previously 3-5%)
- Operating profit (EBIT) before special expenses (previously at break-even)
- Special operating expenses totalling DKK 70 million

Further information

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

2014/2015 FINANCIAL HIGHLIGHTS FOR THE GROUP

	Q3 2014/15	Q3 2013/14	YTD 2014/15	YTD 2013/14	1 May 2013 30 April 2014
Income statement (In DKK million)					
Revenue	277.1	254.6	837.1	783.0	1,049.5
Gross profit	115.5	112.3	340.6	335.5	448.8
Profit (loss) before financial items and depreciation (EBITDA)	15.0	10.3	(13.5)	24.6	15.6
Profit (loss) before financial items (EBIT)	6.5	1.1	(56.3)	(3.6)	(21.7)
Financial items, net	(3.4)	0.1	(5.0)	(0.7)	(2.0)
Profit (loss) before tax	3.2	1.2	(61.3)	(4.3)	(23.7)
Profit (loss) after tax	0.1	0.7	(52.4)	(3.6)	(12.8)
Balance sheet (in DKK million)					
Non-current assets			232.6	281.0	249.2
Current assets			320.7	342.8	332.6
Balance sheet total			553.3	623.8	581.8
Equity at the end of the reporting period			160.5	221.1	210.3
Interest-bearing debt			145.5	155.2	128.2
Cash flow (in DKK million)					
Cash flow from operating activities			(12.1)	(29.3)	5.0
Cash flow from investing activities			(7.8)	(52.1)	(59.4)
Of this amount, net investment in property, plant and equipment			(3.4)	(21.5)	(28.4)
Cash flow before financing activities			(19.9)	(81.4)	(54.5)
Financial ratios					
Operating margin, percentage	2.4	0.4	(6.7)	(0.5)	2.1
Return on net assets (for the period), percentage			(9.9)	(0.6)	(3.9)
Cash flow as a percentage of revenue			(2.4)	(10.4)	(5.2)
Net working capital as a percentage of revenue			7.1	11.8	8.9
Earnings per share before tax	1.1	0.4	(21.4)	(1.5)	(8.0)
Book value			56	77	73
Return on equity before tax, percentage			(32.1)	1.9	(5.9)
Equity ratio, percentage			29.0	35.4	36.1
Average number of full-time employees			634	591	627
Stock market ratios					
Dividend, DKK million			0.0	0.0	0.0
Market price			67.0	100.0	97
Share capital, DKK million			28.6	28.6	28.6
Price/book value			1.2	1.3	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 January 2015. The accounting policies applied in these interim financial statements are the same as those applied in the 2013/2014 annual report.

REVENUE TRENDS

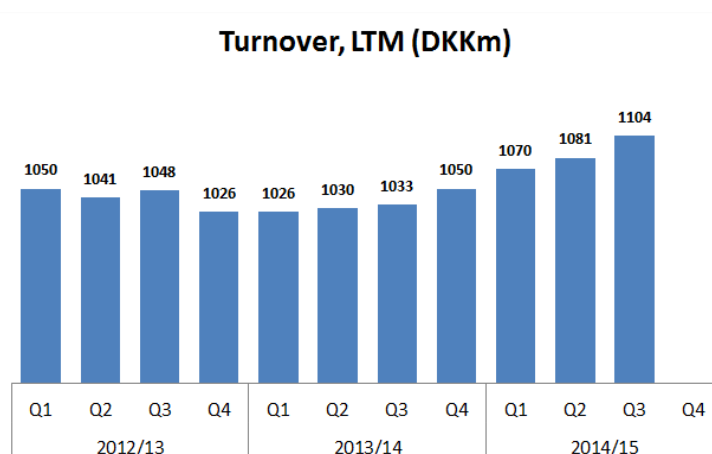
Significant revenue growth

Revenue generated by BoConcept Holding (BoConcept) was DKK 277.1 million in the third quarter of 2014/2015, corresponding to an increase of 8.9% relative to last year. Growth is primarily attributable to brand store sales, with foreign exchange trends also making a contribution to revenue growth.

The 2015 collection continues to perform well. Since we have now settled the logistics issues that affected the second quarter of 2014/2015, revenue growth was satisfactory.

Revenue trends	DKK million
Actual, third quarter 2013/2014	254.6
Exchange rate effect	9.7
Net change, brand stores	14.1
Net change, studios	(1.3)
Actual, third quarter 2014/2015	277.1

Revenue trends	DKK million
Actual, 2013/2014, year to date	783.0
Exchange rate effect	5.5
Net change, brand stores	55.6
Net change, studios	(7.0)
Actual, 2014/2015, year to date	837.1



Revenue grew by 6.9% in the first nine months of 2014/2015, with underlying revenue growth generated by brand stores at 7.5%, which is slightly better than expected.

Growth in all principal regions

We saw the strongest growth in the third quarter of 2014/2015 in Asia and Latin America, but the traditional western markets also show signs of growth or stabilisation.

Revenue by region (DKK million)	2014/15 Q3	2013/14 Q3	Index	2014/15 YTD	2013/14 YTD	Index
Europe	162.8	153.8	105.9	474.8	464.2	102.3
France	43.3	39.0	111.0	114.8	103.7	110.7
Germany	34.2	29.8	114.8	103.9	94.4	110.1
Middle East & Africa	7.8	8.1	96.3	36.4	27.2	133.8
North America	32.2	31.7	101.6	100.0	98.9	101.1
USA	28.4	28.1	101.1	86.1	87.3	98.6
Latin America	14.3	11.3	126.5	46.4	45.0	103.1
Asia & Australia	60.0	49.6	121.0	179.5	147.6	121.6
Japan	24.0	29.4	81.6	79.9	87.3	91.5
Total	277.1	254.5	108.9	837.1	782.9	106.9

In Germany, BoConcept enjoyed growth in the third quarter, primarily as a result of our continued high level of marketing activity. Revenues have increased in a stagnant market, driven partly by more stores and, partly by a steep rise in same-store-sales, both in the quarter and in the year to date.

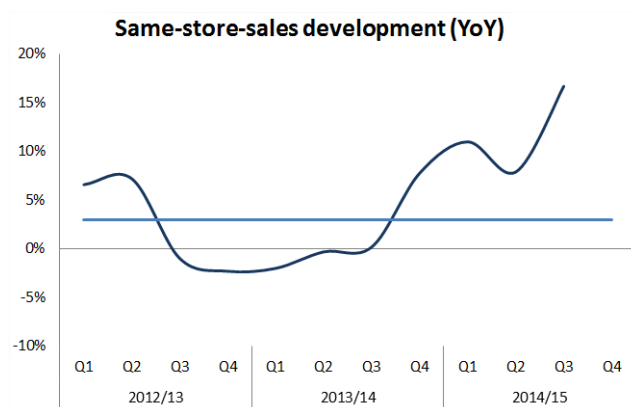
In France, same-store-sales remained at a higher level throughout the third quarter than during the past many quarters. However, this trend is primarily attributable to a huge marketing and promotional campaign, since the underlying market remains difficult, and several franchisees are under pressure.

In the UK, performance remains stable at a high level. Revenue growth is driven by high same-store-sales. In Sweden and Denmark, a number of stores will be closed and sold off in the months ahead. After that, store expansion will be put on hold until the BoConcept brand has strongly repositioned and consolidated itself in these markets.

In the USA, the level of activity continues to fluctuate a great deal month by month. During the quarter we have closed four stores in the course of our scheduled restructuring plan for the chain.

Revenues generated in the Middle East in the third quarter were not in line with our forecast for the region. However, growth has been significant in the year to date.

We are continuing to enjoy progress in our stores in Japan, resulting in significant revenue growth in terms of the local currency. As a result of foreign exchange rate movements, this will have no impact in terms of Danish kroner. In China, too, BoConcept's revenues are enjoying similar progress, driven by both a higher number of stores and by improved same-store-sales. Lastly, we are experiencing a huge boost in a number of new markets in Asia, including also Australia, for example, which contributes to the favourable trend in the region.



BoConcept increased same-store-sales by 16.7% in the third quarter of 2014/2015, bringing the increase in same-store-sales up to 11.9% since the beginning of the financial year. The trend is attributable to general market growth and more marketing activity, but certainly also to an enhanced collection and communications platform that drives more traffic to the stores and increases the hit rate.

BoConcept launched a global branding campaign in February 2015 with a view to increasing awareness of its value proposition 'We make the most out of your space'. Unlike previous years, we will not be introducing new products in connection with the campaign. Instead, we are creating web-based viral awareness of BoConcept and its unique value proposition through short films featuring drama, charisma, style and a critically acclaimed international actor (Mads Mikkelsen) – www.boconcept.com/en-gb/. The campaign has already attracted widespread international attention and recognition and has been well received by franchisees.



Mads Mikkelsen fronting our spring branding campaign in a completely new marketing format

On 19 February 2015, BoConcept launched a global, internet-based branding campaign built up around the short film titled The Call. Internationally acclaimed Danish actor Mads Mikkelsen, famous for his roles in – among other things – the television thriller series Hannibal and the James Bond film Casino Royale, plays the lead in The Call, with BoConcept's stylish, cool and exclusive collection in a supporting role.

Helle Vangsgaard, Head of Brand & Concept at BoConcept, explains: 'With this year's Effect campaign, we have created a narrative based on our value proposition 'We make the most out of your space', which communicates style and charisma and highlights the unique features of BoConcept – in both the design itself and in our interior decoration support function. Using our online platform as the dominant channel of communication, The Call is a brand new way of marketing our concept and collection that creates a long-lasting awareness of the BoConcept brand rather than a fleeting attitude towards one particular product,' she says.

'The Call provides drama and entertainment and it features exclusive design – and leaves quite a few questions unanswered, arousing the curiosity of its viewers. It creates attention, and it engages and entertains the viewer, who is given a very special experience, an experience that will be remembered and shared. And that is precisely the viral effect we are going for.' Already viewed by more than one million spectators worldwide, the film will be followed up by a massive PR campaign and promotional activities in all 260 BoConcept stores the world over. And who knows: maybe there will be a sequel.....

Number of stores constant - closures to take full effect from next quarter

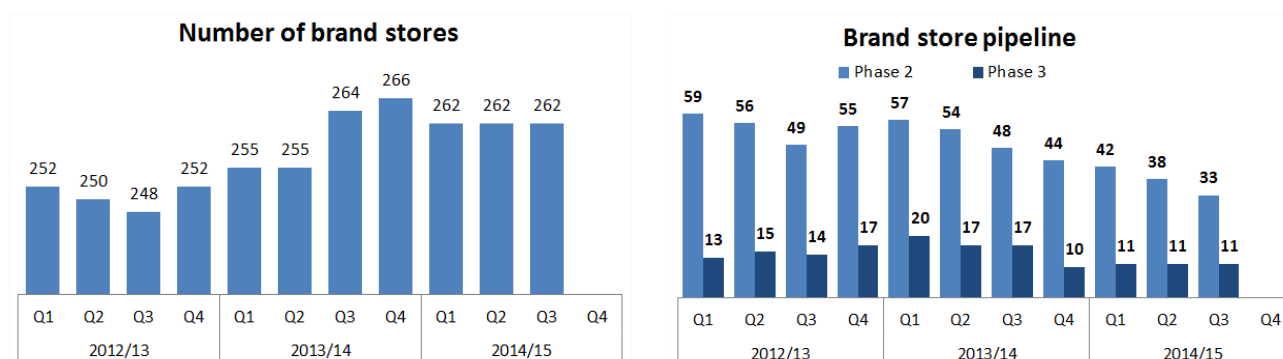
Brand store sales accounted for 95% of BoConcept's revenue in the first nine months of 2014/2015; the remainder was generated by BoConcept Studios.

	2014/15 YTD Openings	2014/15 YTD Closings	31 January 2015			Pipeline 31 January 2015	
			Stores	Own stores of this amount	Studios	Phase 2	Phase 3
Europe	7	9	148	10	42	9	3
France	3	1	33	1		4	1
Germany	2	0	26			1	2
UK	0	0	14	1	2	2	
Spain	0	5	5	2	1	1	
Denmark	0	0	8	4			
Sweden	0	0	4	2	1		
Norway	0	0	0		14		
Middle East & Africa	3	0	15			5	0
North America	1	5	25	2		5	2
USA	1	5	21	2		5	2
Latin America	1	1	23			7	2
Asia	5	6	51	16		7	4
Japan	0	3	16	7		0	0
China	2	0	20	9		3	4
Total	17	21	262	28	42	33	11

Six new brand stores opened in France, Russia, the Ukraine, the United Arab Emirates, Saudi Arabia and the USA in the third quarter of 2014/2015; all the stores were opened by franchisees. Furthermore, six franchise stores closed in the same quarter, including four in the USA and one in France. Four stores net have closed since the beginning of the financial year, leaving the number of stores unchanged at 262 at the end of the quarter.

In Announcement No. 14 of 5 December 2014, BoConcept announced a large-scale restructuring effort, including the closure of stores or replacement of franchisees in about 20% of the chain's stores that are not performing well with a view to reducing provisions for bad and doubtful debts. Of the approximately 25 stores in line for closure, the majority will be closed during the current financial year. Some of the stores are the group's own. BoConcept has sold off two Danish stores and will close four Danish and Swedish stores. The restructuring process will involve the closure of about ten stores and have a negative impact on revenues in the fourth quarter of 2014/2015.

Total net investments through the Location Involvement programme amounted to DKK 23.0 million after new allocations of DKK 2.7 million and payment of loan instalments totalling DKK 2.6 million year to date.



There were 11 new stores in Phase 3 of the pipeline and 33 in Phase 2 at 31 January 2015. The late stages of the pipeline remain unchanged, whereas the number of new stores in Phase 2 has been reduced since the group's business development focus is on the optimisation and support of existing stores. The majority of new store openings will be in the group's current European markets and in the growth markets in Asia and Latin America.

PROFIT TRENDS

Revenue growth in the third quarter of 2014/2015

Rising revenues and reduced capacity costs, also due to lower ordinary provisions for bad or doubtful debts, combined with a positive earnings contribution from foreign exchange to increase EBIT in the third quarter of 2014/2015. However, the scheduled special expenses and provisions for closures and restructuring measures reduced operating profit by DKK 6.1 million, a result of the strategic transformation.

(DKK million)	Q3 2013/14	Business model and other	Own stores, net	Collection switch- over	Exchange rate effect	Special items	Q3 2014/15
Revenue	254.6	12.4	0.4	0.0	9.7	0.0	277.1
Production costs	(142.3)	(14.8)	0.0	0.0	(4.6)	0.0	(161.7)
Gross profit (loss)	112.3	(2.4)	0.4	0.0	5.1	0.0	115.4
Capacity costs	(111.2)	9.4	(0.3)	0.0	(0.7)	(6.1)	(108.9)
Operating profit (loss)	1.1	7.0	0.1	0.0	4.4	(6.1)	6.5
as a percentage of revenue	0.4%	56.5%					2.3%

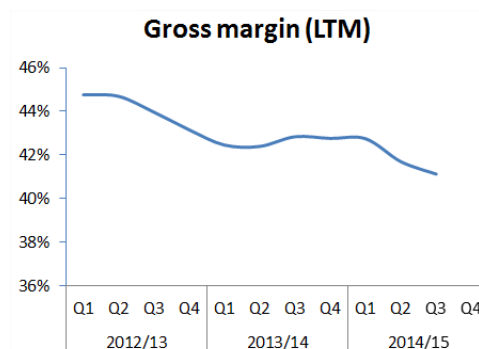
Higher brand store revenues and lower capacity costs produced a marginal earnings contribution of 58.6% in the first nine months of 2014/2015. However, the collection switch-over and non-recurring costs incurred in the first half of 2014/2015 have resulted in a sharp decline in group revenues in the year to date.

(DKK million)	YTD 2013/14	Business model and other	Own stores, net	Collection switch- over	Exchange rate effect	Special items	YTD 2014/15
Revenue	783.0	47.8	8.1	(7.3)	5.5	0.0	837.1
Production costs	(447.5)	(35.8)	0.0	(9.3)	(0.7)	(3.2)	(496.5)
Gross profit (loss)	335.5	12.0	8.1	(16.6)	4.8	(3.2)	340.6
Capacity costs	(339.1)	16.0	(9.4)	(4.7)	1.0	(60.7)	(396.9)
Operating profit (loss)	(3.6)	28.0	(1.3)	(21.3)	5.8	(63.9)	(56.3)
as a percentage of revenue	(0.5%)	58.6%					(6.7%)

Gross profit margin

The gross profit margin was 41.7% in the third quarter of 2014/2015, which is on a par with the expected level. The decline relative to last year's 44.1% is partly attributable to more aggressive and commercial pricing of certain product groups in the new collection, and partly to the discounted sale of ex-display items in a number of our stores now in the process of closing.

Gross profit margin trends	YTD
2013/2014	42.8%
Exchange rate effect	0.3%
Special items	(0.4 %)
Own stores, net	0.6%
Collection switch-over	(1.7%)
Prices and product mix	(0.9%)
2014/2015	40.7%



The gross profit margin for the first nine months of 2014/2015 was 40.7%, compared with 42.8% last year. The positive effect of foreign exchange rate movements and improved performances in our own stores on the gross profit margin in the first six months of 2014/2015 was offset by expenses incidental to the collection switch-over and special expenses incurred

during the same period. Changed product mix and price structure has reduced the gross profit margin by 0.9 percentage points in the year to date.

Lower capacity costs due to lower provisions

Capacity costs were cut from DKK 111.2 million (43.7% of revenue) last year to DKK 108.9 million (39.3% of revenue) in the third quarter of 2014/2015.

Over the quarter, distribution costs were DKK 5.6 million lower than last year due to lower costs for marketing and concept development and lower provisions for bad or doubtful debts. Ordinary provisions for the quarter thus amounted to DKK 2.6 million compared with DKK 8.5 million last year. Provisions for the year to date amounted to DKK 56.6 million. This amount includes DKK 38.2 million in special provisions for bad or doubtful debts from the first half of 2014/2015; these special provisions relate to the ongoing strategic transformation process. Last year at the same time, total provisions for bad or doubtful debts were DKK 23.8 million for the year to date.

During the quarter, administrative expenses remained stable at a lower level than last year. Administrative expenses have been DKK 10.4 million lower in the year to date.

DKK 6.1 million was charged to the income statement in the third quarter of 2014/2015 under the item 'other operating expenses'. The expenses relate to the closure of the group's own stores and an unsuccessful legal action in Sweden. With the addition of DKK 16.1 million for the write-down of goodwill and master rights as well as non-current assets in own stores in the second quarter of 2014/2015, the item totalled DKK 22.3 million in the first nine months of 2014/2015.

Expected consolidation of profit in the third quarter of 2014/2015

The third quarter of 2014/2015 saw BoConcept realising an operating profit (EBIT) of DKK 6.5 million, corresponding to an operating margin of 2.4%. Leaving special expenses out of the equation, EBIT was DKK 12.6 million compared with DKK 1.1 million in the same quarter of last year.

For the first nine months of 2014/2015, BoConcept realised an operating loss of DKK 56.3 million, heavily affected by special expenses totalling DKK 63.9 million. Since the implementation of the strategic transformation of our business model in the second quarter of 2014/2015, our assessment is that the profit trend, seen in isolation, is deemed satisfactory, whereas the profit for the full nine months is unsatisfactory, albeit on a par with our most recent predictions.

The group booked a pre-tax loss of DKK 61.3 million in the first nine months of 2014/2015 compared with a loss of DKK 4.3 million last year.

BALANCE SHEET

The balance sheet total was DKK 553.3 million at 31 January 2015, or DKK 28.6 million less than at the beginning of the financial year. BoConcept booked a DKK 12.2 million impairment of goodwill and master rights in the second quarter of 2014/2015. Apart from that, non-current assets were affected only by minor software investments and ordinary depreciation charges that exceeded the level of investment.

Less capital tied up in net working capital despite higher revenues

Net working capital tie-up was DKK 77.9 million at the balance sheet date, compared with DKK 130.5 million last year, or 7.1% and 12.7% respectively of the revenue earned in the previous twelve months.

Inventories rose to DKK 157.1 million in anticipation of a favourable sales trend in a wide variety of the most popular items, such as the Adelaide chair, and transport times to the USA were adversely affected by strike actions in some ports on the American west coast.

At the balance sheet date, receivables amounted to DKK 126.6 million. Owing to special provisions made in the course of the strategic transformation process, there were 40 debtor days compared with 52 last year.

As regards liabilities, trade payables and prepayments from customers in our own stores rose as an indication of increased sales.

Provisions at beginning of year reduce equity

At the balance sheet date, equity amounted to DKK 159.2 million, equalling an equity ratio of 29.0%.

Interest-bearing debt totalled DKK 145.5 million at the end of January 2015, compared with DKK 128.2 million at the beginning of the financial year, and DKK 170.4 million at the end of the second quarter of 2014/2015. Outstanding liabilities can be broken down into non-current liabilities of DKK 65.8 million and current liabilities of DKK 79.7 million.

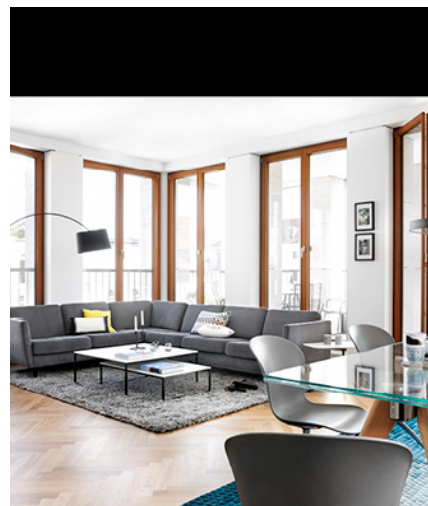
The group had DKK 13.8 million in cash at the balance sheet date and unused credit facilities totalling DKK 51 million. Management deems the group's financial resources to be adequate to support the long-term realisation of the group's strategy.

CASH FLOW

Cash flow considerably improved in the third quarter of 2014/2015

An improved operating profit combined with less capital tied up in net working capital in the third quarter of 2014/2015 improved the group's cash flow from operations by DKK 20.1 million compared with the preceding quarter. At the end of the third quarter of 2014/2015, there was a cash outflow of DKK 12.1 million compared with a cash outflow of DKK 29.3 last year.

Cash flow before instalments on non-current liabilities and after net investments of DKK 7.8 million in the period was a cash outflow of DKK 19.9 million compared with a cash outflow of DKK 81.4 million last year, when the group invested a great deal in Chinese activities and the Location Involvement programme.



New collection hits the bullseye

The 2015 collection, launched by BoConcept last September and featuring 60% new or redesigned items, is the single largest-scale collection update in the company's history. 'Designing and launching this huge update has been a fantastically unique and demanding task. In one year, we have put three or four years of work into this collection, creating an entirely new platform for differentiating our concept from our competitors,' says Claus Ditlev Jensen, Collection & Visuals Director at BoConcept.

He is especially proud of the collection's expanded range. With this new collection, BoConcept has created attractive entry-level designs and qualities, while at the same time actually elevating the collection into the luxury segment.

'The new items have been enthusiastically received by our customers and franchisees. Sales of storage furniture have risen sharply, our Osaka and Carmo sofa lines have been super well received, and the Adelaide dining chair concept has hit the bullseye with its target audience. Sales of this chair are surpassing previous years' chair sales several times over, so naturally we and the stores are very satisfied indeed,' says Claus Ditlev Jensen.

The collection will be current for the next 12-18 months, with only a few supplementary items added in the meantime. This will give stores and suppliers a better chance to raise awareness of the entire collection, and the stress of switch-over will be reduced, which will boost sales efforts.

EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

BoConcept A/S concluded an agreement with the Investment Fund for Developing Countries (IFU) on the sale of 40% of the shares in BC Design Holding Ltd. on 6 February 2015. BC Design Holding Ltd. holds all the shares in BoConcept Retail China Ltd., which owns BoConcept's own Chinese stores and the country organisation. At the same time, BoConcept has exercised an option to buy 15% of the shares in BC Design Holding Ltd. from its previous business partner, Trayton Group, so that BoConcept A/S now owns 60% of BC Design Holding Ltd., while the IFU owns the remaining 40%.

The intention is for the IFU, in consultation with BoConcept's own organisation, to ensure the best possible conditions for realising the considerable growth potential in the Chinese market. The IFU will add financial resources and know-how and thus help establish the financial and organisational basis for handling the growth expected in the years ahead. In this way, the agreement between BoConcept and the IFU complements the strategic partnership agreement BoConcept concluded with Kinetic in 2014 to accelerate store expansion.

The transactions involving Trayton Group and the IFU have no impact on operations, but will result in a cash inflow in 2014/2015.

FORECAST FOR 2014/2015

More fine-tuned forecast after as-planned third quarter

We are in the process of implementing the first stages of the strategic transformation of our business model, i.e. primarily closing and refranchising the worst performing stores, and this work is progressing according to plan. The remaining steps in the adjustment of the business base – such as updating marketing and channel strategy, optimisation of the franchise model, strengthening efficiency and cutting costs – will be introduced successively in the quarters ahead.

In view of the satisfactory trend in the third quarter of 2014/2015, management expects revenue for the rest of the 2014/2015 financial year to be favourably affected by full order books and continued growth in same-store-sales. The closing of the first stores of the approx. 25 to be eliminated from the chain under the restructuring plan is likely to have an adverse effect on revenue and to offset growth in same-store-sales. We thus expect total revenue to increase by 5-6% in the 2014/2015 financial year rather than the previously announced 3-5%.

As expected, ordinary operating losses before special expenses from the first six months of 2014/2015 were offset by the upward trend in the third quarter of 2014/2015 following a continued good performance from the new collection and no additional expenses for the collection switch-over.

We expect a positive EBIT for the full 2014/2015 financial year before special expenses incidental to the implementation of the strategic transformation of our business model. The said expenses are expected to remain at the announced DKK 70 million level.

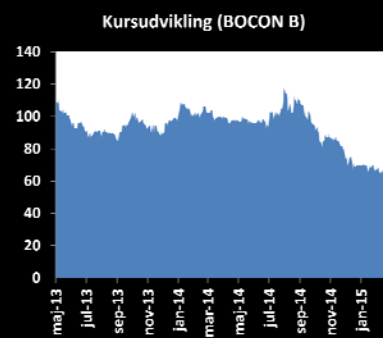
INVESTOR INFORMATION

Stock exchange announcements from 1 May 2014 to 31 January 2015

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 accelerate expansion in China
05.08.2014	Notice of general meeting of shareholders of BoConcept Holding A/S
27.08.2014	Quarterly review, first quarter of 2014/2015
09.09.2014	Revised articles of association
21.10.2014	Notice to major shareholders
05.12.2014	Quarterly review, third quarter of 2014/2015
05.12.2014	Internal changes to the supervisory board of BoConcept
16.12.2014	Insider trades
18.12.2014	Insider trades
22.12.2014	Insider trades

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

05.03.15: Q3 2014/2015
30.06.15: Preliminary announcement of financial statements
27.08.15: Q1 2015/2016
02.12.15: Q2 2015/2016
03.03.16: Q3 2015/2016

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 2014 to 31 January 2015.

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 January 2015 and of the results of the group's operations and cash flow for the period 1 May 2014 to 31 January 2015.

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 March 2015

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

	01.11. - 31.01. 2014/2015 DKK'000	01.11. - 31.01. 2013/2014 DKK'000	01.05. - 31.01. 2014/2015 DKK'000	01.05. - 31.01. 2013/2014 DKK'000
Revenue	277.101	254.567	837.112	782.973
Production costs	-161.650	-142.300	-496.501	-447.479
Gross profit	115.451	112.267	340.611	335.494
Distribution costs	-83.533	-89.163	-316.292	-266.297
Administrative expenses	-20.769	-22.133	-59.826	-70.299
Other operating income	1.454	287	1.454	399
Other operating expenses	-6.071	-143	-22.210	-2.857
Operating profit/loss	6.532	1.115	-56.263	-3.560
Financial income	1.699	1.773	5.154	3.150
Financial expenses	-5.054	-1.700	-10.155	-3.840
Operating profit/loss before tax	3.177	1.188	-61.264	-4.250
Tax on profit/loss for the year	-3.046	-465	8.903	615
Profit/loss for the period	131	723	-52.361	-3.635
Broken down as follows:				
Shareholders of BoConcept Holding A/S	-88	668	-52.123	-3.203
Minority interests	219	55	-238	-432
	131	723	-52.361	-3.635
Earnings per share				
Earnings per share	-0,03	0,25	-18,28	-1,28
Diluted earnings per share	-0,03	0,25	-18,28	1,28

CONSOLIDATED TOTAL INCOME STATEMENT

Profit/loss for the period	131	723	-52.361	-3.635
Revaluation of hedging instruments	-265	-351	-1.531	565
Foreign currency translation, foreign units	1.798	-180	3.848	-3.040
	1.664	192	-50.044	-6.110
Broken down as follows:				
Shareholders of BoConcept Holding A/S	1.445	137	-49.806	-5.678
Minority interests	219	55	-238	-432
	1.664	192	-50.044	-6.110

CONSOLIDATED BALANCE SHEET

Q3 31.01.15 31.01.14 30.04.14
DKK'000 DKK'000 DKK'000

ASSETS

Goodwill	12.351	18.569	16.323
Master rights	36.786	42.487	42.225
Software	24.496	12.426	22.085
Intangible assets in progress	2.080	13.435	6.572
Total intangible assets	75.713	86.917	87.205
Land and buildings	60.697	67.024	65.420
Leasehold improvements	18.686	24.295	23.648
Plant and machinery	14.052	17.850	17.886
Fixtures and operating equipment	6.299	6.390	7.873
Property, plant and equipment in progress	32	3.482	514
Total tangible assets	99.766	119.041	115.341
Deferred tax	20.935	31.588	8.610
Other financial assets	24.566	29.002	24.863
Deposits	11.608	14.467	13.202
Total other non-current assets	57.109	75.057	46.675
Total non-current assets	232.588	281.015	249.221
Inventories	157.058	143.657	143.381
Trade receivables	126.566	149.902	144.522
Other receivables	23.299	30.315	28.406
Cash and cash equivalents	13.767	18.959	16.320
Total current assets	320.690	342.833	332.629
TOTAL ASSETS	553.278	623.848	581.850

31.01.15 31.01.14 30.04.14
DKK'000 DKK'000 DKK'000

LIABILITIES AND EQUITY

Share capital	28.621	28.621	28.621
Translation reserve	2.872	-4.360	-6.286
Hedging reserve	-7.817	-618	-976
Retained earnings	136.774	197.506	188.897
Dividend proposed	0	0	0
Equity share, BoConcept Holding A/S shareholders	160.450	221.149	210.256
Minority interests	-1.286	-224	-812
Total equity	159.164	220.925	209.444
Deferred tax	10.698	44.508	11.747
Other provisions	8.815	8.574	9.484
Mortgage credit institutions and banks	65.832	65.580	68.940
Total non-current liabilities	85.345	118.662	90.171
Employee bonds	0	1.299	1.299
Mortgage credit institutions and banks	79.680	89.592	57.924
Trade payables	115.312	99.880	118.485
Prepayment from customers	47.481	34.390	39.818
Income tax payable	0	996	-387
Other payables	66.296	58.104	65.096
Total current liabilities	308.769	284.261	282.235
Total liabilities	394.114	402.923	372.406
TOTAL LIABILITIES AND EQUITY	553.278	623.848	581.850

CONSOLIDATED CASH FLOW STATEMENT

	1.5. - 31.01 2014/2015 DKK'000	1.5. - 31.01. 2013/2014 DKK'000
Revenue and other operating income	838.566	783.372
Operating expenses	-894.829	-786.932
Adjustment for non-cash items	98.683	55.105
Change in net working capital	-45.485	-74.615
Cash flow from operating activities before financial items	-3.065	-23.070
Interest income etc.	4.463	3.150
Interest paid	-10.155	-3.394
Income taxes paid	-3.305	-6.032
Cash flow from operating activities	-12.062	-29.346
Acquisition of intangible assets	-6.921	-20.137
Sale of intangible assets	0	0
Acquisition of tangible assets	-3.381	-21.463
Sale of tangible assets	0	245
Acquisition of financial assets	-2.652	-11.503
Sale of financial assets	5.117	788
Acquisition of companies	0	0
Sale of companies	0	0
Cash flow for investing activities	-7.837	-52.070
Cash flow before financing activities	-19.899	-81.416
Instalment on long-term debt	-8.339	-5.353
Raising of long-term debt	2.606	25.923
Employee bonds	-1.299	-1.375
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	-7.032	19.253
Cash inflow/outflow for the year	-26.931	-62.163
Cash and cash equivalents less short-term bank debt, beg. of year	-31.712	-888
Revaluation of cash and cash equivalents	691	-446
Cash and cash equivalents at year-end	-57.952	-63.497
The amount may be broken down as follows:		
Cash without restrictions	13.767	18.959
Short-term debt to credit institutions	-71.719	-82.456
	-57.952	-63.497

CONSOLIDATED EQUITY MOVEMENTS
Q3

	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		-3.040	565	-3.203		-5.678
Equity 31 January 2014	57.242	-4.360	-618	197.506	0	221.149
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		3.848	-1.531	-52.123		-49.806
Equity 31 January 2015	28.621	2.872	-7.817	136.774	0	160.450

Q3

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

Only income taxes related to income in Denmark are recognised, as the group has withdrawn from the international joint taxation scheme.

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

6. Contingent liabilities

	<u>31.01.15</u>	<u>30.04.14</u>
Contingent assets		
Sub-lease agreements concerning store premises	<u>10.273</u>	<u>10.289</u>
Contingent liabilities and security		
Land and buildings recognised at:	60.697	65.420
Production, plant and machinery recognised at:	6.610	8.886
Are charged in addition to the mortgage debt of:	52.374	54.105
Subject to letter of indemnity of:	50.000	50.000
Security (assets)	125.000	0
Non-terminable operating leases are as follows:		
0-1 year	39.796	43.578
1-5 years	60.714	84.878
>5 years	<u>30.241</u>	<u>29.583</u>
	<u>130.751</u>	<u>158.039</u>

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 14.2 million (DKK 8.6 million as at 30.04.14).