BoConcept Holding A/S
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ANNOUNCEMENT 6/2015

Herning, 30 June 2015

Strong growth, and adjustment and transformation of business base characterised BoConcept's 2014/2015 financial year

Today the supervisory board has approved the annual report of BoConcept Holding A/S for the 2014/2015 financial year. The 2014/2015 annual report contains the following highlights:

- **Revenue rose to DKK 1,148 million, corresponding to an increase of 9.3%.** Growth is primarily driven by progress in brand stores and a positive effect from foreign exchange rates

- **Same-store-sales in terms of order intake were up by 11.5%.** For the first time in years, same-store-sales increased month on month as a result of new collection and sales-promoting initiatives

- **The reorganisation of the chain has led to the closure of 38 brand stores**, primarily in Denmark, Spain and the USA. Taking into account 25 openings in the course of the year, there were 253 brand stores in the franchise chain at the end of the financial year

- Profit before special items (EBIT before special items) amounted to DKK 15 million, equalling an **EBIT% of 1.3%**

- **The strategic optimisation under Horizon 16/17 resulted in special items totalling DKK 66 million** for reorganisation, including the closure of own stores, provisions for losses and write-down of intangible assets

- **The loss for the year was DKK 57 million**

- Cash flow from operating activities improved to DKK 19 million. After net investments totalling DKK 13 million, **cash flow before instalments on long-term debt was an inflow of DKK 5 million, or 0.5% of revenues**

Forecast for the financial year 2015/2016

- The store closures under Horizon 16/17 will have their full impact and affect revenues in the 2015/2016 financial year. However, the momentum from our campaign activity, a powerful collection and the activity level in the newly opened stores together with increased sales to contract customers should absorb the decline so that revenues will increase by approx. 2% on the 2014/2015 financial year. We expect to raise EBIT% to approx. 4% in the 2015/2016 financial year, as collection update costs and provisions for bad debts are expected to decrease considerably. Our forecast is based on the premise that current market conditions and foreign exchange rates continue to prevail.

Torben Paulin, CEO of BoConcept, says:

The 2014/2015 financial year was a landmark year for BoConcept. First and foremost, we launched the largest ever collection update in the company's history. On the same occasion, we rolled out an update of our concept and communications platform, and we increased same-store-sales by 11.5% and revenue by 9.3%. At the same time, we introduced a stricter credit policy towards stores with poor payment records and rolled out the implementation of Horizon 16/17 - a strategic optimisation of our entire business base.

With Horizon 16/17 we have mapped our optimisation options in order to reduce complexity and increase differentiation and efficiency in BoConcept, so that the additional earnings capacity of the business model is increased.

The 2015/16 financial year will thus be characterised by adjustments and transformation, ensuring that we from the 2016/2017 financial year will have a considerable basis for realising the growth and earnings potential of our business model by gradually expanding the chain with the right store openings and the right franchisees.

Annual general meeting
The annual general meeting will be held at the company's office, Mørupvej 16, Herning on 27 August 2015 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 2015.

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

BoConcept Holding A/S

Peter Thorsen Chairman	Torben Paulin CEO

Annual Report

01.05.2014 – 30.04.2015

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 position in the 'affordable luxury' segment. Our furniture and accessories collections are sold through a franchise chain consisting of 253 brand stores worldwide, with BoConcept as the business developer, sole supplier and international distributor.

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

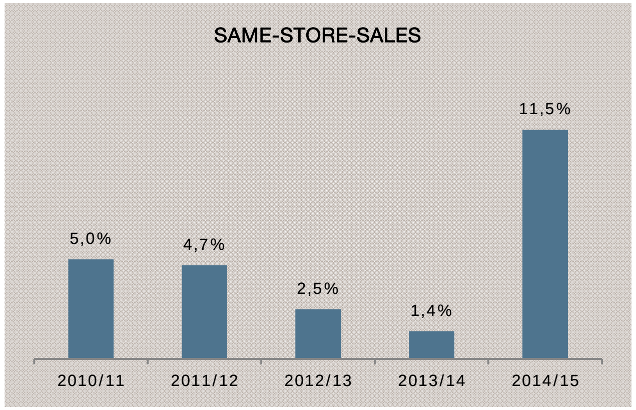
HORIZON 16/17 TO RESTORE EARNINGS CAPACITY

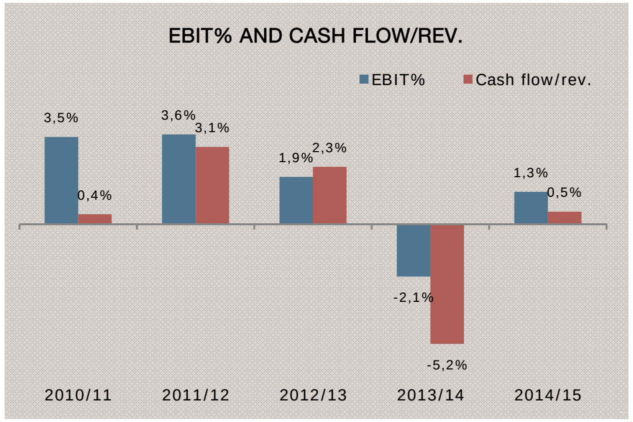
BoConcept's 'asset-light' business model is based on sourcing, efficiency and economies of scale in product development, marketing, distribution, support and administration. In this model, rising revenues generate a high earnings contribution and cash flow without the necessity of heavy capital expenditure.

Value is created through three key value drivers: growth in same-store-sales, expansion of the franchise chain and a high level of productivity to achieve economies of scale. In the years ahead, BoConcept will roll out its Horizon 16/17 strategy, the aim of which is to ensure high quality and class in the franchise chain, increase store revenues and restore the group's earnings capacity. By simplifying our business base, differentiating ourselves from our competitors and improving operational efficiency, we aim to exploit the potential of our business model and achieve an EBIT% of 5-7% before the end of 2016/2017.

With its non-capital-intensive business model, BoConcept is aiming for a normalised equity ratio of 40 to 50% over the course of a business cycle that includes possible short-term fluctuations. Once the equity ratio has reached the company's long-term target, and no investments are made in new growth initiatives, any excess liquidity will be paid out to 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.





Contents:

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

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Financial Highlights & Key Figures

	2014/15	2013/14	2012/13	2011/12	2010/11
INCOME STATEMENT IN DKK MILLION					
Revenue	1,147.5	1,049.5	1,026.1	1,022.2	1,001.1
Gross profit	465.7	448.8	442.9	451.6	421.4
Profit before financial income and expenses, depreciation and amortisation (EBITDA)	50.0	15.6	51.3	75.5	71.9
Profit/loss before special items (EBIT before special items)	15.1	(21.7)	19.5	36.7	35.1
Profit/loss from operating activities (EBIT)	(50.7)	(21.7)	19.5	36.7	35.1
Financing, net	(7.9)	(2.0)	(2.1)	2.8	(4.9)
Profit/loss before tax and minority interests	(58.6)	(23.7)	17.4	39.6	30.2
Profit/loss after tax	(57.1)	(12.8)	11.3	25.6	19.7
Balance sheet details in DKK million					
Non-current assets	216.7	249.2	240.2	244.7	251.6
Current assets	309.5	332.6	292.1	296.9	256.0
Balance sheet total	526.2	581.9	532.3	541.6	507.6
Equity	157.3	210.3	228.0	224.9	199.7
Interest bearing debt	117.3	128.2	74.7	86.8	109.2
Cash flow in DKK million					
Cash flow from operating activities	18.6	5.0	55.2	53.1	32.6
Cash flow from investing activities	(13.2)	(59.4)	(31.9)	(21.2)	(29.0)
Cash of which invested in property, plant and equipment	(8.2)	(28.4)	(16.5)	(10.2)	(4.2)
Cash flow before financing activities	5.4	(54.5)	23.4	31.9	3.7

	2014/15	2013/14	2012/13	2011/12	2010/11
Financial ratios					
Operating margin (EBIT% before special items)	1.3	(2.1)	1.9	3.6	3.5
Return on invested capital (ROIC)	5.2	(7.2)	6.7	12.3	12.0
Cash flows in % of revenue	0.5	(5.2)	2.3	3.1	0.4
Net working capital in % of revenue	5.6	8.9	9.0	9.6	9.3
Earnings per share of DKK 10	(20)	(8)	6	14	11
Return on equity	(31.1)	(5.9)	5.0	12.0	10.3
Equity ratio, %	29.9	36.1	42.8	41.5	39.3
Book value per share of DKK 10	55	73	80	79	70
Average number of employees, full-time	612	627	586	579	579

	2014/15	2013/14	2012/13	2011/12	2010/11
Stock market ratios					
Dividend, DKK million	0.0	0.0	0.0	5.7	5.7
Market price at year-end	92	97	110	112	170
Share capital, DKK million	28.6	28.6	28.6	28.6	28.6
Price/book value	1.7	1.3	1.4	1.4	2.4
Price/earnings ratio, year-end	-	-	27.8	12.5	24.7

The financial ratios have been calculated in accordance with the 'Recommendation & Financial Ratios 2015' issued by the Danish Society of Financial Analysts.

Financial Highlights

FROM BOCONCEPT HOLDING A/S' 2014/2015 ANNUAL REPORT

FINANCIAL REVIEW

- **Revenue rose to DKK 1,148 million, corresponding to an increase of 9.3%.** Growth is primarily driven by progress in brand stores and a positive effect from foreign exchange rates
- **Same-store-sales in terms of order intake were up by 11.5%.** For the first time in years, same-store-sales increased month on month as a result of new collection and sales-promoting initiatives
- **The reorganisation of the chain has led to the closure of 38 brand stores**, primarily in Denmark, Spain and the USA. Taking into account 25 openings in the course of the year, there were 253 brand stores in the franchise chain at the end of the financial year
- Profit before special items (EBIT before special items) amounted to DKK 15 million, equalling an **EBIT% of 1.3%**
- **The strategic optimisation under Horizon 16/17 resulted in special items totalling DKK 66 million** for reorganisation, including the closure of own stores, provisions for losses and write-down of intangible assets
- **The loss for the year was DKK 57 million**
- Cash flow from operating activities improved to DKK 19 million. After net investments totalling DKK 13 million, **cash flow before instalments on long-term debt was an inflow of DKK 5 million, or 0.5% of revenues**

FORECAST

- The store closures under Horizon 16/17 will have their full impact and affect revenues in the 2015/2016 financial year. However, the momentum from our campaign activity, a powerful collection and the activity level in the newly opened stores together with increased sales to contract customers should absorb the decline so that revenues will increase by approx. 2% on the 2014/2015 financial year. We expect to raise EBIT% to approx. 4% in the 2015/2016 financial year, as collection update costs and provisions for bad debts are expected to decrease considerably. Our forecast is based on the premise that current market conditions and foreign exchange rates continue to prevail.

ANNUAL GENERAL MEETING

- The supervisory board recommends to the shareholders in general meeting that no dividends be distributed for the 2014/2015 financial year.

Adjustments and transformation of business base

The 2014/2015 financial year was a landmark year for BoConcept. First and foremost, September 2014 was when we launched the largest ever collection update in the company's history. On the same occasion, we rolled out an update of our concept and communications platform, which effectively demonstrated the ability of the concept to provide customised solutions and underscored BoConcept's brand promise 'We make the most out of your space'.

The new collection backed by our promotional campaign, resulted in positive same-store-sales month on month throughout the year and an 11.5% rise in same-store-sales for the year.

On the other hand, we were disappointed to see poor performance continuing in some parts of the chain, necessitating massive provisions for bad debts and adding pressure to BoConcept's earnings. We are now reversing this trend by implementing a revised credit policy that has since minimised our exposure to franchisees with a poor payment record. We also launched the implementation of Horizon 16/17, a strategic optimisation of our entire business base.

Less complexity, more differentiation and higher efficiency
In the 2014/2015 financial year, the Horizon 16/17 optimisation model addressed two things. Firstly, our chain of stores underwent a radical reorganisation, with brand stores falling short in earnings capacity being closed or changing hands. As a result, we saw an extraordinarily large number of store closures this year, a trend that will continue in the next financial year. Secondly, we analysed our options in optimising to reduce complexity and increase differentiation and efficiency in our value chain in order to lay the best possible foundation for achieving our goal, namely to increase average store revenues and restore our growth and earnings capacity.

Pre-growth optimisation
The coming financial year will see adjustments and transformation as we implement the next stages of Horizon 16/17, which focus on improved efficiency. We will concentrate on rolling out initiatives to introduce the lean principles in our processes and make them more efficient. We will concentrate on selected markets, we will introduce a more dynamic launch strategy, adding products to the collection on a regular basis, and we will make our cost structure more scalable and find additional savings that will increase the additional earnings potential of the business model.

In the 2015/2016 financial year, our revenue growth will decline due to a lower number of stores in the franchise chain. Conversely, our EBIT will improve, since we will have lower provisions for losses on bad debts, and all aspects of our business model will be more efficient. As a result, starting from the 2016/2017 financial year, we will have a considerably better basis for realising the growth and earnings potential of our business model by gradually expanding the chain with the right store openings and the right franchisees.

Torben Paulin
CEO

Highlights of 2014/2015

BOCONCEPT'S LARGEST-EVER COLLECTION AND CONCEPT UPDATE WAS SUCCESSFULLY LAUNCHED IN SEPTEMBER 2014. AT THE SAME TIME, A REVIEW OF THE COMPANY'S CREDIT POLICY AND REORGANISATION OF THE CHAIN ELIMINATED POORLY PERFORMING STORES, RESULTING IN A LARGE NUMBER OF CLOSURES.

HISTORIC COLLECTION UPDATE

60% of our 2015 collection, launched in September 2014, consisted of brand new or wholly redesigned products.

We have expanded the width of our product range considerably by introducing a brand new wall unit range, new armchairs and sofa designs, and a completely new upholstery and leather range with new colours, finishes and qualities developed by BoConcept, along with an entirely new chair concept and expanded dining table range. As a result, the BoConcept collection includes designs at attractive entry-level prices as well as premium segment products.

Pre-launch orders from the franchise chain were considerably higher than in previous years, and this, combined with an increased hit rate and basket size and 11.5% growth in same-store-sales, has allowed us to reach our sales targets. However, the comprehensive collection switch-over also caused logistics issues and delays that were not resolved until the second half of the financial year.

MAJOR CONCEPT AND COMMUNICATIONS UPDATE

With its collection launch, BoConcept also rolled out a complete concept update. The store layout was revamped, and a new communications platform was designed to highlight and underscore BoConcept's brand promise – 'We make the most out of your space' – was introduced.

The new direct and engaging communication style focuses on how customers experience the functionality of the collection, and the personal service and interior decoration advice provided helps customers understand how BoConcept's unique solutions can be tailored to their individual needs and likes. A one-of-a-kind opportunity that sets BoConcept apart from its competitors in the segment.

The promotional campaign for our 2015 collection has been intense and creative. Large-scale campaigns using viral elements on the internet and social media have driven heavy traffic to our website and stores. One new marketing initiative launched by BoConcept was to furnish three apartments in Dubai, Berlin and New York and let customers book a stay there to test the concept themselves. Many customers enthusiastically embraced this opportunity, which received a great deal of media attention.

Mads Mikkelsen and BoConcept joined forces in innovative Effect campaign

In February and March 2015, BoConcept launched an innovative global internet-based branding campaign featuring the short films THE CALL and THE GUEST. In the films – which feature internationally acclaimed Danish actor Mads Mikkelsen in the leading role – drama, entertainment and cool design are used to communicate BoConcept's brand promise in a completely new way that draws the viewer in and rouses interest in and permanent awareness of the entire concept and collection rather than a single product. With almost three million views of the films worldwide since February 2015, the campaign has become a success.

> 60% of our 2015 collection, which was launched in September 2014, consisted of brand new or redesigned products and was thus the largest single collection update in the history of BoConcept.

STRATEGIC PARTNERSHIPS CONSOLIDATE BOCONCEPT'S CHINESE BUSINESS ACTIVITIES

In July 2014, BoConcept concluded a strategic partnering agreement with Gaungzhou Kinetic Home Furnishings Co. Ltd. Kinetic will be sourcing new franchisees and finding attractive locations for BoConcept in China - a market with major growth potential. Since then, Kinetic has worked together with BoConcept's own organisation to build up a store pipeline, which led to the first store openings in April 2015.

In February 2015, BoConcept also signed an agreement with the Investment Fund for Developing Countries (IFU) on the sale of the shares in BC Design Holding Ltd., which owns all of the shares in BoConcept Retail China Ltd., the controlling entity for BoConcept's own Chinese stores and home to its market organisation. BoConcept A/S now owns 60% of BC Design Holding Ltd. and the IFU 40% on debt-like conditions. The role of the IFU is to secure the financial backing and knowledge required to handle the growth BoConcept expects to enjoy in China in the years ahead.

BUSINESS DEVELOPMENT FOCUSES ON DISTRESSED STORES

BoConcept set up a dedicated Business Development department in April 2014. Apart from strengthening the structured pipeline-building process, the department has considerably enhanced the start-up model, which will provide new franchisees with the best possible basis for creating a successful store. Even so, in the recent year, the overarching focus of Business Development has been on distressed stores and mitigation of bad debts. The department has been working to create solutions that boost the performance of these stores and restore their earnings capacity and ability to pay or, alternatively, effect closures or find new franchisees for stores.

New credit policy implemented

With provisions for losses on bad debts of 3% of revenue from May 2012 to August 2014, poorly performing stores have been a heavy burden on group earnings. With this in mind, BoConcept implemented a revised credit policy in the autumn of 2014 which features shorter payment deadlines and required prepayments for stores with poor payment records. This policy is enforced by a credit committee on which the executive board has a seat.

Strategic optimisation leads to store closures

BoConcept's management launched the implementation of Horizon 16/17 in September 2014, a strategic optimisation of its business model designed to take a new direction by reversing the operational downswing and countering increasing complexity, low efficiency and high costs. The aim is to increase average store revenue and revitalise BoConcept's growth and earnings capacity.

In addition to mapping the optimisation potential of the business model, the initiatives we have launched under Horizon 16/17 from September 2014 to April 2015 have been aimed at a significant reorganisation of the chain. 50 stores in total have been identified as critical. 24 of these stores, including six of BoConcept's own, are either closed or in the process of being closed; nine are continuing to operate after having undergone an optimisation process; and the potential of 17 stores is still under assessment.

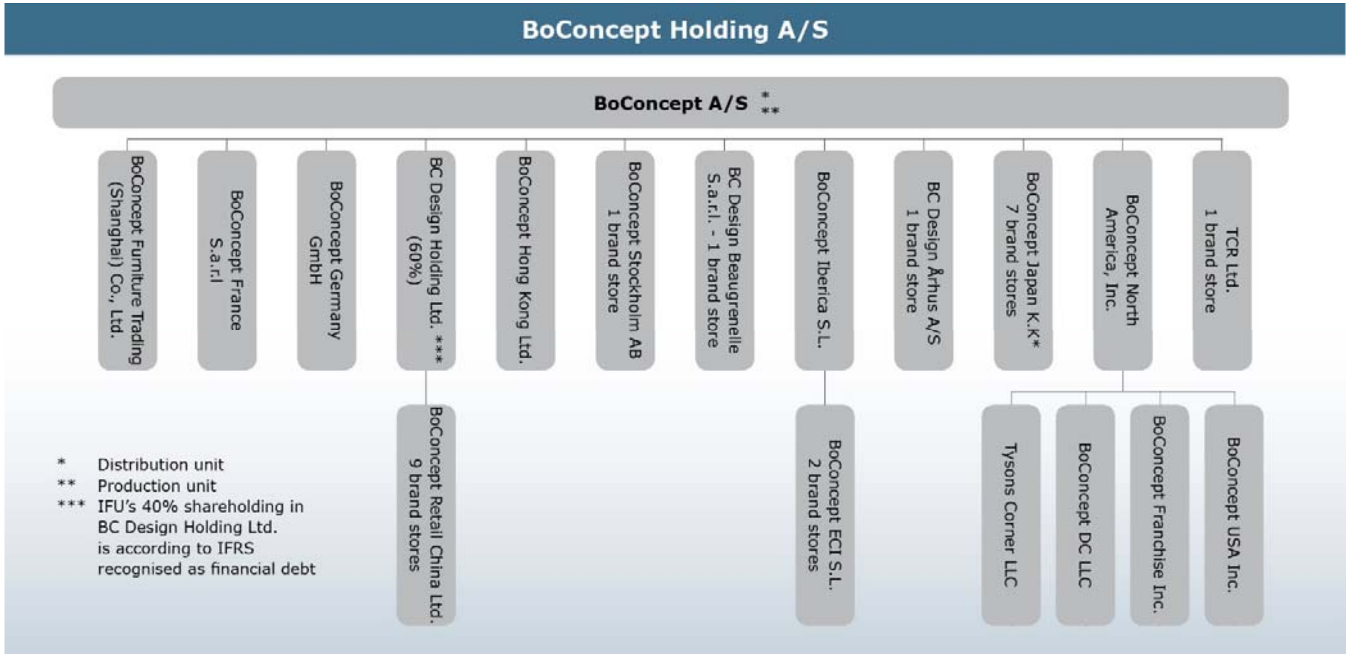
This reorganisation process has resulted in special items for the closure of the group's own stores, provisions for losses on franchise stores, and an amortisation of goodwill and master rights totalling DKK 66 million in the financial year. Provisions for bad debts amounted to DKK 63 million in the financial year, DKK 38 million of which are extraordinary provisions.

> BoConcept's management rolled out Horizon 16/17 in September 2014: a strategic optimisation of its business model designed to take a new direction by reversing the operational downswing and countering increasing complexity, low efficiency and high costs.

Including the stores closed in the course of the reorganisation, 38 stores were closed during the financial year, primarily in Europe and North America. Taking into account 25 openings, primarily in the principal markets – France, Germany, the USA and China – there were 253 brand stores in the chain at year-end.

SUPERVISORY BOARD CHANGES AND NEW COO

BoConcept Holding changed the composition of its supervisory board in December 2014 to provide optimal support to implementation of the group's revamped business model: Peter Thorsen was appointed chairman and Viggo Mølholm deputy chairman. As of May 2015, the executive board was expanded with a new member: Peter Linnet, who will be Chief Operating Officer (COO) in charge of logistics and production.



Optimised Business Model

IN THE 2014/2015 FINANCIAL YEAR, BOCONCEPT LAUNCHED HORIZON 16/17, A SIGNIFICANT STRATEGIC OPTIMISATION INITIATIVE THAT, TOGETHER WITH THE UPDATED COMMERCIAL BUSINESS BASE, IS DESIGNED TO INCREASE STORE REVENUE PER SQUARE METRE AND GENERATE HIGHER EARNINGS IN THE CHAIN AND THE GROUP.

STRAGETIC OPTIMISATION OF BUSINESS MODEL TO GENERATE HIGHER EARNINGS IN THE ENTIRE VALUE CHAIN

Through sourcing and economies of scale in product development, marketing, distribution, support and administration, BoConcept's franchise-based 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% in the long term.

The value created by the model depends on the ability of the franchise chain to increase revenues and maintain a healthy level of operational store earnings while guaranteeing an effective allocation of resources throughout the value chain. The three key factors in value creation are therefore increased same-store-sales, expansion and improved performance in the franchise chain, and economies of scale through a high level of efficiency and productivity.

LONG-TERM OBJECTIVES

Realise considerable earnings and fulfil business model potential

STRATEGIC VALUE DRIVERS

Growth in same-store-sales	Chain expansion and performance	Operational efficiency
- The ability to win market share and increase earnings in franchise chain.	- Controlled expansion of franchise chain designed to strengthen the brand and ensure synergy.	- Optimisation of all processes in the value chain to ensure high marginal earnings.
Focus on • **Sales initiatives** to increase awareness of brand and concept and drive traffic to stores. • **Modern collection** with unique value proposition. • **Communications platform** that differentiates. • **Sales support** from market organisations.	Focus on • **Opening of new franchise stores** with right locations and franchisees. • **Structured and disciplined access to challenged stores** to reduce receivables and closures.	Focus on • **Sourcing** in production and distribution so that capacity can easily be adapted. • **Optimisation of product development** in relation to quality, reliability of delivery and time-to-market. • **Continuous cost adjustments** to ensure lower level at which sales reach the break-even point.

> By strategically optimising our business model based on specific initiatives, we aim to increase average store revenues and restore BoConcept's growth and earnings capacity in the years ahead so that BoConcept can realise an operating margin of 5-7%.

HORIZON 16/17

Despite the expansion BoConcept has seen in recent years in its number of stores, the group's revenues have been flat. At the same time, the ratio of capacity costs to revenue has increased, partly due to higher marketing costs and more own stores and partly because an increasing number of stores in the chain have been unable to translate the concept, collection and support into satisfactory earnings, causing BoConcept heavy losses on receivables.

Against this backdrop, management launched Horizon 16/17 in September 2014, which is a strategic optimisation of its business model designed to increase average store earnings and restore the group's growth and earnings capacity through specific initiatives in the years ahead. The goal is for BoConcept to reach an EBIT% of 5-7% in the 2016/2017 financial year.

The initiatives have been divided into three separate categories – simplification, differentiation and operational efficiency – to be implemented across BoConcept's strategic value drivers.

STRATEGIC VALUE DRIVERS AND HORIZON 16/17

Growth in same-store-sales | Chain expansion and performance | Operational efficiency

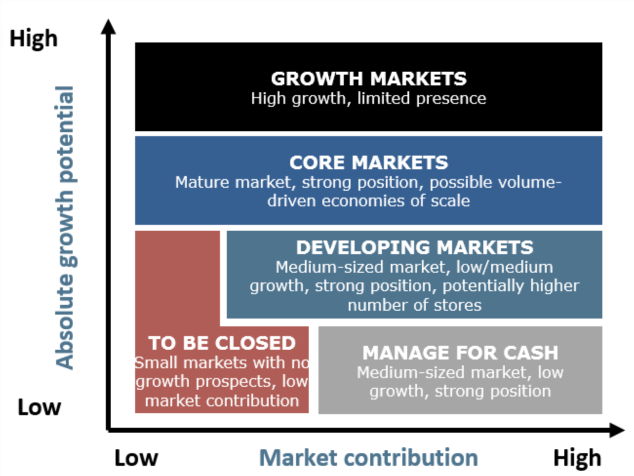
Simplification
- Streamlining and focus on market portfolio
- Streamlining chain and product portfolio

Differentiation
- New collection strategy
- Contract sales
- New product-to-market process

Operational efficiency
- Operational model optimisation
- Reduction of capacity costs
- Redesign of management processes

Simplified business base

Due to our focus on growth in recent years, BoConcept's business model has grown more complex, a trend we are now reversing. Our first move was to refranchise or close stores that had no chance of long-term survival in their current form. The majority of closures were finalised in the second half of the 2014/2015 financial year, but the future of a small number of stores remains undecided.



Another step is to reduce complexity by focusing on fewer markets. BoConcept is in the process of developing a revised marketing, distribution and support model that will concentrate our efforts and focus on growth markets such as the UK, the USA and China and on core markets such as France, Germany and Japan, where BoConcept holds a strong position today. This means that resources will be allocated to the areas that have the highest potential rather than offering all markets the same level of service regardless of market contribution. As a result, we will be exiting five markets in 2015.

In addition, BoConcept will streamline its product range in the coming years to make its supply chain more efficient. The number of products in stock will be reduced by 25%. At the same time, the US warehouse will be closed down as part of the simplification of the distribution set-up.

Differentiation to leave rivals behind

Starting in 2015, BoConcept will adopt a dynamic launch strategy under which products are added and phased out regularly rather than twice a year, which would drive traffic to our stores and make for a smoother launch process throughout the value chain. However, we will stick with our current collection, with a few exceptions until 2016 to focus on and boost sales activities. At that point, about 20% of the collection will be replaced as usual. The new launch strategy also includes an overhaul of the product-to-market process, strengthening the collaboration between Collection, Sourcing & Production, and Marketing and Retail and enabling faster product launches.

Another element in BoConcept's differentiation strategy is to sharpen its focus on contract sales to hotels, furnished apartments, reception areas, VIP lounges etc. This would take advantage of our existing market access, chain of stores, collection and brand awareness to increase revenues and gross store earnings without the necessity of heavy investment. In the 2014/2015 financial year, BoConcept Contracts set up the required organisation and sales platform and launched a number of pilot projects with selected franchisees. We will be expanding our activities considerably in the coming year, primarily in our key markets, which we believe offer the greatest potential.

Focus on effective implementation to increase scalability of business model

In recent years, BoConcept has gradually introduced measures to reduce capacity costs and increase the rate of return of the business model. BoConcept is in the process of identifying how the cost structure could be made more scalable, how simplification measures and innovative thinking from marketing and product development to the franchise level could increase efficiency through process optimisation.

MANAGEMENT FOCUS ON IMPLEMENTATION

In the 2015/2016 financial year, management will focus on ensuring the ongoing implementation of initiatives under Horizon 16/17 designed to increase earnings in the chain and the group.

We will promote the favourable trend experienced in same-store-sales in the 2014/2015 financial year through the determined marketing and branding of our interior decoration and collection in our core and growth markets. In addition, the successful expansion of contract sales will increase sales to corporate customers through a closer integration of day-to-day activities in the stores.

After its significant reorganisation, the franchise base now has the high quality and class upon which BoConcept can base its future growth. With this in mind, Business Development will, in consultation with the group's regional retail directors, initiate a targeted build-up and execution of its store and location pipeline. With a new and fully operational start-up model for stores, the largest number of openings will be in Asia and Europe. We will also need to close stores in the coming year. Our prediction is that bad debts will be reduced to 2% of revenues in the 2015/2016 financial year and that they will return to their normal level of about 1% afterwards.

> We expect to raise EBIT% to approx. 4% in the 2015/2016 financial year, as collection update costs and provisions for bad debts will decrease considerably.

With regard to the efficiency and productivity track, management will concentrate on finalising the development of the operational model, followed by implementation in the second half of the financial year.

SIGNIFICANTLY IMPROVED EARNINGS IN THE 2015/2016 FINANCIAL YEAR

The large number of store closures under Horizon 16/17 will have its full impact and affect revenues in the 2015/2016 financial year. However, the momentum from our campaign activity, our strong collection and the activity level in the newly opened stores together with increased sales to contract customers should absorb the decline so that revenues will increase by approx. 2% on the 2014/2015 financial year.

We expect to raise EBIT%s to approx. 4% in the 2015/2016 financial year, as collection update costs and provisions for bad debts are expected to decrease considerably.

Our forecast is based on unchanged market conditions and exchange rates.

2014/2015 Financial Review

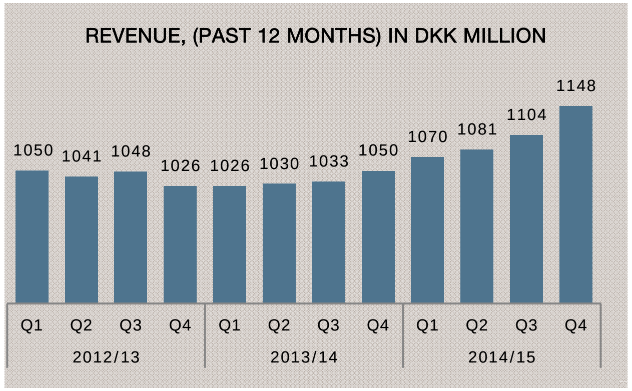
WITH REVENUE GROWTH AT 9.3% AND AN 11.5% INCREASE IN SAME-STORE-SALES, SALES WERE HIGHLY SATISFACTORY IN MOST PARTS OF THE CHAIN. HOWEVER, COLLECTION SWITCH-OVER AND SPECIAL EXPENSES IN CONNECTION WITH CLOSING THE POOREST PERFORMING STORES CAUSED MAJOR LOSSES.

BoConcept's revenues rose by 16.5% to reach DKK 310 million in the fourth quarter of the 2014/2015 financial year. One reason for the revenue increase was an 8.7% growth in sales generated by brand stores; another was declining EUR rates against the USD, JPY, CNY and GBP, which had a positive effect of DKK 21 million.

REVENUE TREND

(in DKK million)	Q4	Year to date
Actual 2013/2014	**266.5**	**1,049.5**
Exchange rate effect	21.4	26.9
Net change, brand stores	23.3	78.9
Net change, studios	(0.8)	(7.8)
Actual 2014/2015	**310.4**	**1,147.5**

In the 2014/2015 financial year, revenues were DKK 1,148 million, i.e. up DKK 98 million or 9.3% on the previous year, which is in line with our most recently announced expectations (see Announcement No. 5/2015 dated 27 May 2015), but better than expected over the year. We attribute the increase to two factors: Firstly, there was a 7.5% underlying growth trend in the revenues generated by brand stores as a result of higher same-store-sales. Secondly, changes in foreign exchange rates, mainly in the last quarter of the financial year, pushed revenues up 2.6%.



GROWTH IN ALL REGIONS

All regions increased their revenue in the 2014/2015 financial year. Asia, Latin America, the Middle East and Africa enjoyed the highest levels of growth, but even in Europe stable market conditions ensured growth for BoConcept, especially in the fourth quarter of the financial year.

> For the first time in years, same-store-sales have continued to grow throughout the financial year.

The group experienced satisfactory levels of growth in its core markets: Germany, France and Japan. Germany saw a rise in same-store-sales thanks to a concentrated effort in the past year from both the national organisation and the stores to promote the concept, helped along by intensive marketing and stabilising underlying market conditions. The rising revenue trend was boosted by an increase in the number of stores in the chain.

In France, revenue rose by 8% in the 2014/2015 financial year. According to the IPEA (Institut de promotion et d'études de l'ameublement), market conditions remain highly challenging with a downturn continuing for the eleventh year running and a marked pressure on prices. Nevertheless, thanks to intensive marketing, the chain has been increasing its same-store-sales quarter on quarter, which, seen in isolation, is satisfactory. However, several franchisees find themselves under great financial pressure and under administration, which we expect will lead to a closure or ownership change in a number of stores in the coming year.

In Japan, the market has shrunk by 10% due to dwindling consumer confidence and last year's increase in value added tax. Nevertheless, in terms of local currency, BoConcept's business activity improved by approximately 5%, and same-store-sales figures were positive. It is still the group's own stores that are driving the sales increase, which has not yet fully manifested itself due to foreign exchange rate fluctuations.

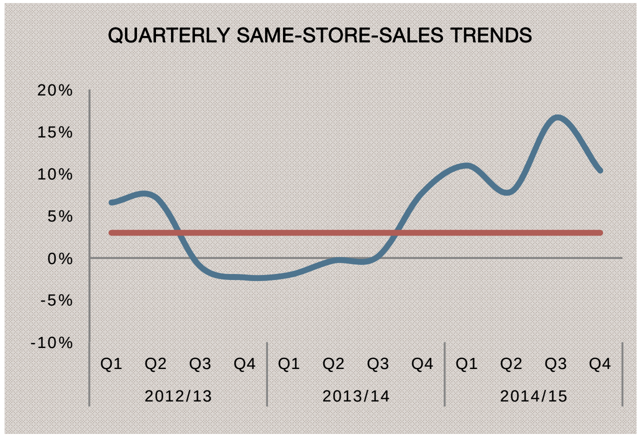
As regards our growth markets, the UK market continues to prosper. Market conditions, especially in and around London, are favourable, and BoConcept is going from strength to strength, steadily improving its position. Also, the organisation and the stores are working together to exploit existing potential, generating a steep increase in same-store-sales.

In the USA, we have been working hard to improve the business base of the chain, which was challenged in the 2014/2015 financial year, due partly to delivery issues in the first half of the financial year, and partly to the many poorly performing stores. Our focus has been on consolidating the market and reorganising the chain, and this has had an adverse effect on revenue.

In China, BoConcept expanded its activities, primarily by opening new stores, and revenues were boosted in the year's final quarter by the positive effect from foreign exchange rates. We are still working hard to roll out the concept and expand the chain.

For the first time in years, same-store-sales rose month on month throughout the financial year. This trend continued in the fourth quarter of 2014/2015, with same-store-sales growth at 10.4%, although the increase in the corresponding quarter last year was high (7.8%). Growth in same-store-sales was 11.5% for the full year.

This exceedingly favourable trend was achieved through the launch of a collection with attractive entry prices and a wider product range that appeals to a wider customer segment, which in turn has increased the hit rate and basket size. At the same time, both the revamped communications platform, based on our brand promise 'We make the most out of your space', and an adjustment of our concept in the stores have improved the perception and boosted awareness of BoConcept. Last, but not least, our global branding campaign in early 2015, which featured Mads Mikkelsen in the leading role of two short films, created a great deal of media attention and drove more high quality traffic to our stores.



REVENUE TRENDS IN THE REGIONS AND VARIOUS PRINCIPAL MARKETS

	2014/15	2013/14				
(in DKK million)	Q4	Q4	Index	2014/15	2013/14	Index
Europe	**183**	**171**	**107**	**658**	**635**	**104**
France	50	49	102	165	152	108
Germany	42	34	123	146	129	113
UK	22	19	119	75	70	108
Middle East & Africa	**8**	**9**	**91**	**45**	**36**	**123**
North America	**33**	**26**	**126**	**133**	**125**	**106**
USA	28	23	120	114	110	103
Latin America	**18**	**12**	**152**	**64**	**57**	**113**
Asia & Australia	**68**	**49**	**140**	**248**	**196**	**126**
China	21	14	143	76	53	142
Japan	32	27	121	112	114	98
Total	**310**	**267**	**116**	**1148**	**1049**	**109**

REORGANISATION IMPROVES HEALTH OF CHAIN AND REDUCES NUMBER OF STORES

In the fourth quarter of 2014/2015, we opened eight franchise stores in our core and growth markets in Germany, the USA and China. During the same period, we closed 17 stores, primarily in Europe, in the course of the reorganisation of the chain that BoConcept launched in September 2014 in connection with the strategic optimisation of our business model, Horizon 16/17. The number of closures under Horizon totalled 20 in the 2014/2015 financial year.

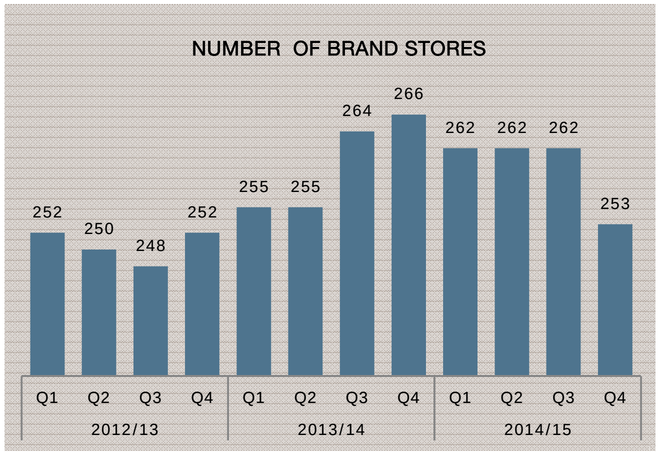
At the end of the 2014/2015 financial year, the chain consisted of 253 stores, a net reduction of 13 since the beginning of the year. The majority of store openings during the year took place in Germany, France, the USA and China as well as in the developing markets in Russia, the United Arab Emirates, Saudi Arabia, Nigeria, Australia and other countries.

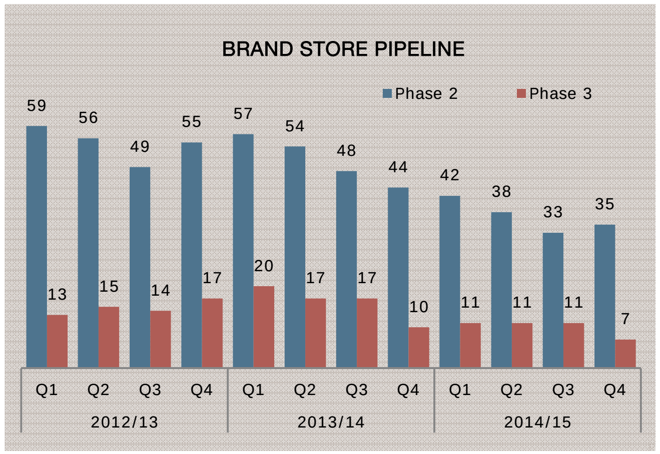
The brand stores in the chain had an average floorage of 465 square metres at the end of April 2015. The average retail revenue per store was approximately EUR 1.1 million in the 2014/2015 financial year. Total loans granted under the Location Involvement programme grossed at DKK 33 million, but have now been reduced to DKK 19 million.

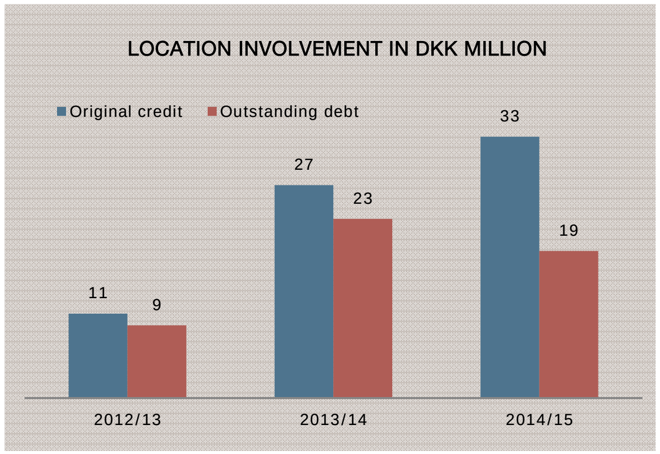
The closures during the 2014/2015 financial year primarily took place in Spain, Denmark and the USA, where the need for reorganisation was great. Since the beginning of the financial year, BoConcept has sold or closed a net of six of their own stores – four in Denmark and Sweden for example – in the fourth quarter of 2014/2015. On a full-year basis, the newly opened stores made an average contribution to group revenue of more than DKK 3 million, although one closed store reduced revenue by about DKK 2 million.

As a result of management's focus on consolidating and reorganising the chain, the number of stores in the pipeline is lower than in previous years. In the course of preparing for future expansion, the Business Development department developed a new recruitment model based on recent years' favourable results in Germany, as well as a newly developed store-opening model that is designed to boost the potential success of new stores through targeted support in the start-up phase. All these measures form the basis of future growth in the number of stores.

	2014/15		No. of stores 30 April 2015			Pipeline 30 April 2015	
	Openings	Closures	Stores	Of this own stores	Studios	Phase II	Phase III
Europe	**9**	**20**	**139**	**6**	**41**	**14**	**3**
France	3	2	32	1	0	3	0
Germany	4	0	28	0	0	1	1
UK	0	0	14	1	2	1	0
Middle East & Africa	**3**	**3**	**12**	**0**	**0**	**4**	**0**
North America	**3**	**6**	**26**	**2**	**0**	**5**	**0**
USA	3	6	22	2	0	5	0
Latin America	**1**	**1**	**23**	**0**	**0**	**7**	**2**
Asia & Australia	**9**	**8**	**53**	**16**	**0**	**5**	**2**
Japan	0	3	16	7	0	0	0
China	6	2	22	9	0	1	1
Total	**25**	**38**	**253**	**24**	**41**	**35**	**7**







COSTS RELATED TO HORIZON 16/17 AND THE COLLECTION SWITCH-OVER UNDERMINED OPERATING PROFIT GROWTH

BoConcept's operating profit grew considerably in the fourth quarter of 2014/2015 as a result of previously implemented efficiency improvements, lower provisions for bad debts and a positive effect from foreign exchange rate changes.

DKK'000	Q4 2013/14	Business model etc.	Net own stores	Collection switch-over	Currency	Special items	Q4 2014/15
Revenue	266.5	25.8	(3.3)	-	21.4	-	310.4
Production costs	(153.2)	(26.5)	-	-	(8.8)	3.2	(185.3)
Gross profit/loss	113.3	(0.7)	(3.3)	-	12.6	3.2	125.1
Capacity costs	(131.4)	14.7	6.5	-	(4.2)	60.7	(53.7)
Operating profit/loss before special items	(18.1)	14.0	3.2	-	8.4	63.9	71.4
as a % of revenue	(6.8%)	54.3%	-	-	-	-	22.9%
Special items	-	-	-	-	-	(65.8)	(65.8)
Profit/loss from operating activities	(18.1)	14.0	3.2	-	8.4	(1.9)	5.6

A total of DKK 66 million in expenses incidental to Horizon 16/17 were recognised as special items before the operating profit at 30 April 2015.

DKK'000	Year to date 2013/14	Business model etc.	Net own stores	Collection switch-over	Currency	Special items	Year to date 2014/15
Revenue	1049.5	73.6	4.8	(7.3)	26.9	-	1147.5
Production costs	(600.7)	(62.3)	-	(9.3)	(9.5)	-	(681.8)
Gross profit/loss	448.8	11.3	4.8	(16.6)	17.4	-	465.7
Capacity costs	(470.5)	30.7	(2.9)	(4.7)	(3.2)	-	(450.6)
Operating profit/loss before special items	(21.7)	42.0	1.9	(21.3)	14.2	-	15.1
as a % of revenue	(2.1%)	57.1%	-	-	-	-	1.3%
Special items	-	-	-	-	-	(65.8)	(65.8)
Profit/loss from operating activities	(21.7)	42.0	1.9	(21.3)	14.2	(65.8)	(50.7)

For the full 2014/2015 financial year, implementation of our business model produced revenue growth and an EBIT margin of 57.1% attributable to that revenue growth alone. However, additional expenses for our collection switch-over undermined the increase in operating profit before special items, which was, however, significantly better than last year.

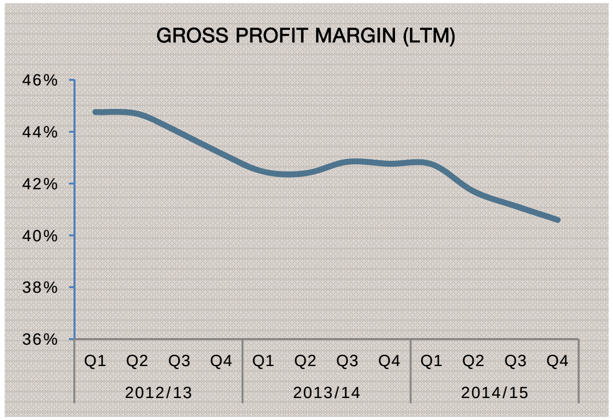
> Leaving special expenses for Horizon 16/17 out of the equation, the operating profit for the 2014/2015 financial year coincides with the predicted DKK 15 million, or an operating margin of 1.3%.

COMMERCIAL COLLECTION AFFECTS GROSS PROFIT

In the fourth quarter of 2014/2015, the gross profit margin fell by 2.2 percentage points to 40.3%, a decrease attributable to a more aggressive pricing of entry products in the new collection, write-downs on inventories of obsolete goods and provisions for quality improvement expenses. These factors combined reduced the gross profit margin by 3.9 percentage points for the quarter, while the discounted sale of ex-display items in own stores in the process of closing reduced the gross profit margin by 0.7 percentage points.

For the full 2014/2015 financial year, the gross profit margin dropped by 2.2 percentage points to 40.6%, mainly due to the changed pricing and product mix and costs incurred in the collection switch-over. Conversely, changes in foreign exchange rates and improved performance in our own stores had a favourable impact on gross profit.

The sourcing ratio was 79% in the 2014/2015 financial year.



DEVELOPMENTS IN GROSS PROFIT

	Q4	YTD
Realised 2013/14	**42.5%**	**42.8%**
Currency	1.2%	0.5%
Special items	1.2%	0.0%
Net own stores	(0.7%)	0.3%
Collection switch-over	0.0%	(1.3%)
Price and product mix	(3.9%)	(1.7%)
Realised 2014/15	**40.3%**	**40.6%**

Lower ordinary provisions and improved efficiency reduce capacity costs

At the end of the fourth quarter of 2014/2015, capacity costs were DKK 54 million, compared with DKK 131 million last year. The reduction is mainly an accounting manoeuvre, since expenses relating to Horizon 16/17 from the first to the third quarter of 2014/2015 were reclassified, which reduced capacity costs by DKK 61 million. Capacity costs dropped by DKK 20 million to land at DKK 451 million in the full 2014/2015 financial year, corresponding to 39.3% of revenue, versus 44.8% last year. This favourable change reflects improved efficiency and lower ordinary provisions for bad debts brought about by our new credit policy.

Distribution costs totalled DKK 53 million for the fourth quarter of 2014/2015. Apart from the reclassification mentioned above, distribution costs were affected by lower marketing and concept development expenses as well as lower ordinary provisions for bad debts, which were reduced from DKK 16 million last year to DKK 6 million this year. Distribution costs totalled DKK 369 million in the 2014/2015 financial year, compared with last year's DKK 373, or a respective 32.2% of revenue versus 35.6% last year, one of the main reasons being that ordinary provisions for bad debts were cut from DKK 37 million to DKK 25 million this year.

Administrative savings during the year reduced costs from DKK 93 million to DKK 83 million.

Better operating profit before special items

The operating profit before special items (EBIT before special items) improved dramatically in the fourth quarter of 2014/2015, primarily as a result of the reclassification of expenses related to special items. Leaving the reclassification out of the equation, however, operating profit was DKK 8 million, corresponding to an EBIT% of 2.3%, which we deem satisfactory.

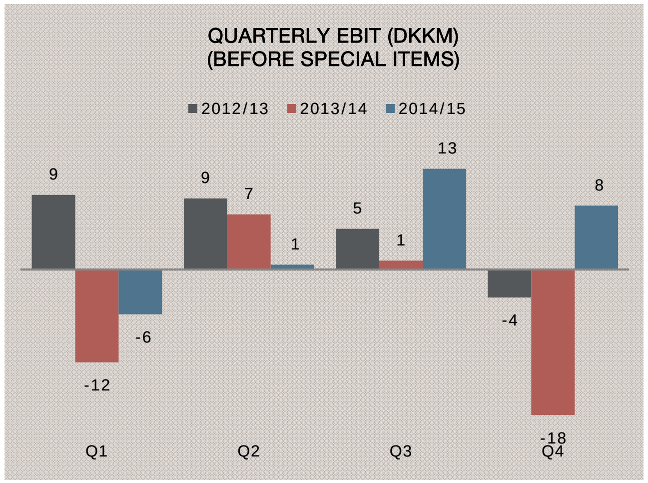
Operating profit was DKK 15.1 million before special items for the full 2014/2015 financial year, compared with a loss of DKK 22 million last year. This operating profit translates into an EBIT% before special items of 1.3%, which is on a par with our most recent predictions (see Announcement 5/2015 of 27 May 2015).

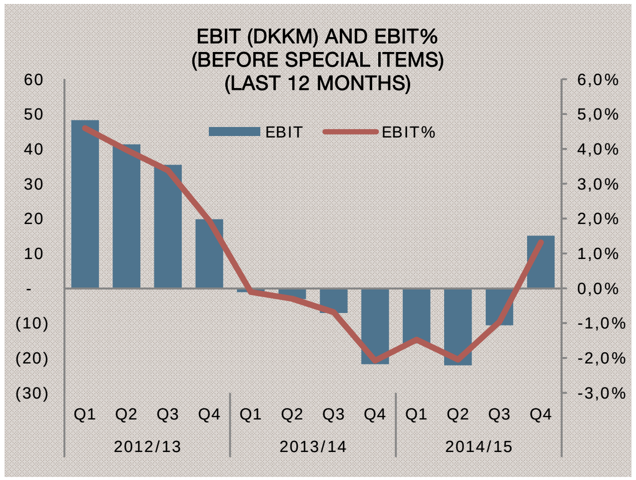
Expenses for Horizon 16/17 caused significant reduction in profit

The implementation of Horizon 16/17 involved expenses totalling DKK 66 million in the 2014/2015 financial year. As of 30 April 2015, these expenses were reclassified as special items in the income statement: they relate primarily to DKK 38 million in extraordinary provisions for bad debts incidental to the closure of stores and refranchising and to DKK 19 million in impairment losses on goodwill and master rights. In addition, there were expenses related to closing our own stores totalling DKK 7 million. Of this amount, DKK 2 million was recognised in the fourth quarter of 2014/2015.

The operating profit is thus a loss of DKK 51 million, which coincides with our most recent outlook (see Announcement 5/2015 of 27 May 2015).

In the 2014/2015 financial year, financial items were a net expense of DKK 8 million including DKK 6 million in foreign exchange losses from the balance sheet and adjustment of hedging instruments. Accordingly, the group posted a pre-tax loss of DKK 59 million compared with a loss of DKK 24 million last year.





Tax on the profit for the year was an income of DKK 2 million. The low tax percentage of 3.2% is primarily attributable to a DKK 5 million adjustment of tax assets relating to previous years and the fact that DKK 5 million in tax on losses in foreign companies has not been capitalised.

For the full year, the group posted a loss of DKK 57 million, compared with a loss of DKK 13 million the year before. Seen in isolation, the supervisory and executive boards consider this extremely unsatisfactory, but in the light of extensive restructuring measures and implementation of the updated concept and collection platform, as well as implementation of Horizon 16/17, it is considered to have laid the groundwork for a future upward trend in BoConcept's earnings capacity.

LEVEL OF INVESTMENT CONSIDERABLY REDUCED

The balance sheet total was DKK 526 million at 30 April 2015, corresponding to a reduction of DKK 56 million on last year. The trend reflects investment in intangible non-current assets and property, plant and equipment, which was less than depreciation charges for the year, and amortisation of master rights and goodwill. Financial assets were also reduced due to fewer funds having been allocated to start-up financing under the Location Involvement programme.

Net investments in non-current assets totalled DKK 13 million, which were considerably lower than last year when investments – also due to the acquisition of master rights and more investment in the fitting out of own stores – amounted to DKK 59 million.

Less capital tied up in working capital

At the balance sheet date, net working capital was DKK 64 million, a considerable reduction from last year's DKK 93 million. The revenue relative to net working capital was 5.6% compared with 8.9% last year, a figure that was below the long-term target of 10%.

Following a slight reduction in the fourth quarter of 2014/2015, inventories rose by DKK 8 million to DKK 151 million over the year. The increase reflects a higher level of activity and marginally larger stocks of the most sought after items in the collection, taking into account delivery times. We expect to reduce inventories in future as a result of a reduction in item numbers and the closure of our warehouse in the USA in the autumn of 2015.

Receivables were reduced by DKK 22 million to reach DKK 123 million at the end of the 2014/2015 financial year. Debtor days were cut to an average of 43 days, compared with 52 days last year, as a direct consequence of the strategic optimisation and implementation of our new credit policy. For the same reason, total provisions rose from DKK 116 million last year to DKK 186 million at the end of April 2015, corresponding to a respective 60% and 45% of total receivables.

Realised losses on receivables were DKK 5 million in the 2014/2015 financial year, compared with DKK 8 million last year.

As regards creditors, trade creditors rose marginally on last year, and the same applies to prepayments from customers.

Financial resources adequate to support strategy

Equity amounted to DKK 157 million at 30 April 2015, corresponding to an equity ratio of 29.9%, versus 36.0% last year.

The group's interest-bearing debt was reduced by DKK 11 million to DKK 117 million at the end of the 2014/2015 financial year. In addition to DKK 12 million in cash at the balance sheet date, the group has at its disposal unused credit facilities totalling DKK 69 million.

At the balance sheet date, the equity ratio was thus below the long-term goal of an equity interest rate of 40-50% set by the group. With the prospect of increased earnings in the years ahead as a result of the implementation of Horizon 16/17 and a modest future requirement for investment, management considers the company's financial resources adequate to support the realisation of its strategy in the long term.

Significant boost in cash flow

Cash inflow from operations totalled DKK 31 million in the fourth quarter of 2014/2015. Cash flows were improved to reach an impressive DKK 19 million in the 2014/2015 financial year, compared with DKK 5 million last year.

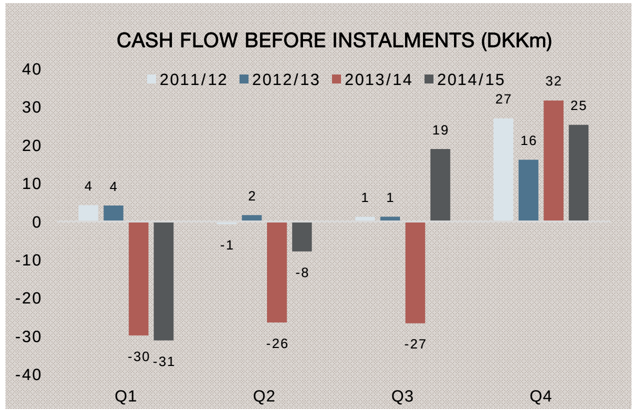
After net investments totalling DKK 13 million, compared with DKK 59 million last year, cash flow before instalments on long-term debt was a cash inflow of DKK 5 million compared with a cash outflow of DKK 54 million last year. Cash flows for the year before financing correspond to 0.5% of revenues.

POST-BALANCE-SHEET EVENTS

Neither the supervisory board nor the executive board is aware of any events after 30 April 2015 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 2014/2015 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 presents a risk statement to the supervisory board at least once a year in connection with the adoption of targets and strategy. Risks are discussed at every board meeting according to need.

MACRO-ECONOMIC RISK

Due to BoConcept's global activity in the market for durable consumer goods, 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 adjust support and marketing level, should the situation change. To reduce the earnings-related impact of macro-economic fluctuations and to ensure market position and operational efficiency, BoConcept implements process-optimising and cost-cutting measures on an ongoing basis.

BoConcept's global diversified sales structure comprises stores in 59 markets worldwide. The company' strategic focus is on markets with a large growth potential and on markets where the brand already has or can obtain a strong position, enabling critical mass and favourable contribution margins. Consequently, a small number of markets will be closed due to poor growth and earnings potential in these markets. BoConcept's principal markets, which represent 10% or more of the company's revenue, include Germany, France, the USA and Japan.

MARKET AND COMPETITION RISK

As an international furniture and design business, the BoConcept collection must always adopt and reflect changes in fashion and lifestyle in order to meet the target group's preferences and to increase store traffic. To optimise the collection's share of new items and marketability BoConcept continuously conducts market analyses. The BoConcept collection is then based on the results of these analyses.

In connection with the launch of the 2015 collection in September 2014, BoConcept made a radical upgrade of the collection, and about 60 percent of the collection was replaced and updated with new products within all product categories with new surfaces, colours and materials, improving functionality and quality. Further, in 2014/2015 BoConcept implemented a new collection strategy and redesigned its product-to-market process, resulting in ongoing product introductions. The dynamic introduction of new products enables BoConcept to adjust the collection to changes in its target group's preferences much faster and to strengthen the continuous interest in the brand. The considerable adjustment of the 2015 collection results in fewer product introductions in 2015 and 2016 than previously.

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 major international brands and a vast number of local brands in some markets.

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

79% 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 is key to fulfilling the group's ambitious target for reliability of delivery.

The group has secured supplies of goods through single-sourcing agreements, of critical goods, or, where it is more expedient, in collaboration with several different suppliers.

DEBTOR RISK

BoConcept's collection is sold globally through 294 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.

In the 2014/2015 financial year BoConcept set up a credit committee, implemented a revised credit policy including stricter credit limits and introduced a task force department. These initiatives serve to reduce provisions for losses on debtors and strengthen payment terms in distressed stores. Since September 2014 BoConcept has restructured most of the poorly performing stores in the chain, which has resulted in new franchisees in a number of stores, closure of 24 stores and special provisions for losses on debtors of DKK 38 million. In the 2015/2016 financial year the introduction of these initiatives will stabilise the provisions for losses on debtors at a normal level of 1-2% of the group's revenue.

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 attractive employment contracts. This also ensures that BoConcept can attract and retain the skilful key employees it needs to secure its innovative ability in 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 95.1%. 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 2014/2015 financial year:

(DKK'000)	2014/2015	2013/2014
USD	2,629	217
JPY	2,752	2,951
GBP	3,182	2,955
CNY	(1,731)	789

The group's net monetary items that are denominated in foreign currencies are set out in note 31.

INTEREST RATE RISK

BoConcept's interest rate risk is primarily related to interest-bearing liabilities. Average interest-bearing debt totalled DKK 117 million at 30 April 2015. The average maturity of debt is 6.7 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 seven-year maturity (see note 31).

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 69 million at the end of the financial year, compared with DKK 68 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 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, sales 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 facilities, we have a long-standing tradition for dealing with all safety, health and environmental issues. Pollution from the Ølgod production facilities 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 2014/2015 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.

OVERVIEW OF MAJOR TYPES OF RISK THAT MAY AFFECT BOCONCEPT'S OPERATIONS AND EARNINGS:

	Risk	Cover
Macro-economic risk	Regional GNP trends Regional consumer spending trends Regional consumer confidence trends Developments in the number of home sales	• Diversified global sales structure in 59 markets • Focus on markets with large growth potential and markets where the brand already has or can obtain a strong position, enabling critical mass and favourable contribution margins • Deselection of markets of no financial interest
Market risk	Marketability of collection	• Continual analyses of markets and target groups • Continual introduction of new products to be able to adjust the collection to the target group's preferences and to strengthen the continuous interest in the brand • Flexible product-to-market process to increase innovation speed and reduce operational pressure in connection with product launch
	Image and brand	• Proactive development and protection of brand • Established CSR profile • Centrally controlled marketing and communications platform
	Differentiation	• Design • Marketing • More sales channels to ensure complete utilisation of collection and store platform
	Competition on price	• Design • Maintain position at high end of medium market
Operational risk	Quality	• Own quality inspection with suppliers
	Reliability of delivery	• Flexible product-to-market process to increase innovation speed and reduce operational pressure in connection with product launch • Continual replacement of the collection • Secure critical mass of suppliers • More suppliers for all main product categories
	Competitiveness of own production	• Lean philosophy • Tight cost controlling
	Stock management	• Prognoses and tight controlling of discontinuances
	Losses on debtors	• Restrictive credit policy monitored by credit committee • Dedicated task force business unit in charge of analysing stores with poor payment ability
	Earnings capacity of franchisees	• Attractive franchise model • High earnings on own products • Operational support
	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 DEVELOPMENT AND VALUE CREATION, 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 A/S.

CORPORATE GOVERNANCE RECOMMENDATIONS

BoConcept has adopted the recommendations issued by the Danish Committee on Corporate Governance, which are posted at www.corporategovernance.dk. The latest update of the recommendations took place in May 2013, and a minor adjustment was introduced in 2014. 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 2014/2015 annual report and covers the same period as the report, viz. 1 May 2014 to 30 April 2015.

DUTIES OF THE SUPERVISORY AND EXECUTIVE BOARDS

The duties of the supervisory board 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. The duties are described in the supervisory board's rules of procedure.

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 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 business-like and legally responsible manner. 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 up to 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 the website and 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.

SUPERVISORY BOARD DUTIES IN 2014/2015

The supervisory board held six ordinary meetings in the 2014/2015 financial year, which is considered normal meeting activity. In the 2014/2015 financial year the supervisory board has focused on the strategic transformation of BoConcept's business base and model. To ensure that these operational adjustments receive maximum backing and can be put into effect, the group made some internal changes to the supervisory board of BoConcept Holding A/S in December 2014. Peter Thorsen was appointed chairman of the board and Viggo Mølholm deputy chairman.

Due to the change of chairman, the supervisory board chairman's annual evaluation of the work of the supervisory board, the chairman and each member of the board is postponed.

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. This means that remuneration must be 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 once a year with the chairman of the supervisory board.

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 expectations to 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 may consist of long-term share-based incentive schemes such as options and/or warrants. These intend 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. Currently, there are no share-based incentive schemes.

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 the annual general meeting 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.

In 2013, BoConcept adopted a diversity policy 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.

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.

In 2014/2015 there were no replacements in the supervisory board, and the share thus remains unchanged.

RESULTS	2014/2015
Women employees at BoConcept A/S and its subsidiaries	273 out of 612 (45%)
Women in senior and middle management positions at BoConcept A/S and its subsidiaries	15 out of 48 (31%)
Women on the executive board of BoConcept Holding A/S	0 out of 3 (0%)
Women members of the supervisory board of BoConcept Holding A/S, elected by the shareholders in general meeting	0 out of 4 (0%)

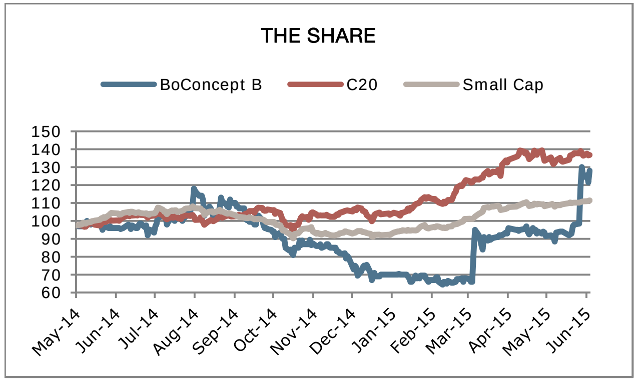
Our diversity policy and report are available from the company's website under www.boconcept.com/en-gb/boconcept/about-boconcept/diversity-policy. The report constitutes the statutory diversity report for 2014/2015, which has been prepared in accordance with section 99 b of the Danish Financial Statements Act and is part of and covers the same period as BoConcept's 2014/2015 annual report.


SONY

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

BoConcept Holding's share capital consists of class A- and class B-shares. Since 1984 the class B-shares have been listed by NASDAQ OMX Copenhagen in the SmallCap segment and traded under ID code DK00600050201.



The total volume of trade in class B-shares in the 2014/2015 financial year totalled 626,752 shares, corresponding to an average daily trade volume of roughly DKK 2,477 shares or approx. DKK 210,000. This is an increase in trading activities compared to the previous financial year.

SHARE CAPITAL

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-shares	Class B-shares	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.%	2,400,000 (47.8%)	2,622,119 (52.2%)	5,022,119 (100%)

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.

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.

CAPITAL STRUCTURE

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.

DIVIDEND

BoConcept Holding wishes to offer its shareholders access to long-term value creation and a continuous dividend flow in order to obtain an attractive direct return on a share investment in the company.

The supervisory board of BoConcept Holding regularly reviews the company's share and capital structure. Since the company's growth strategy is non-capital intensive, the supervisory board has set the company a long-term equity ratio target of 40-50% of the balance sheet total. Provided that the targets for capital structure are met, it is a priority that excess liquidity - after any investment in organic or acquisitive growth initiatives, serving to increase the long-term return on the invested capital - is paid back to the shareholders.

Payment may be in the form of dividends, share buy-back or as a combination hereof, if this is considered appropriate for company and shareholders.

Against this background the supervisory board recommends to the company in general meeting that no dividend is paid for the 2014/2015 financial year.

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		341,182	341,182	11.92	6.79
Kirk & Thorsen Invest A/S		180,850	180,850	6.32	3.60
Mitiska B.V., Brussels, Belgium		159,350	159,350	5.57	3.17
Other shareholders		1,656,377	1,656,377	57.88	32.99
Total excluding treasury shares	240,000	2,610,719	2,850,719	99.61	99.77
Treasury shares		11,400	11,400	0.39	0.23
Total	240,000	2,622,119	2,862,119	100.00	100.00

SHAREHOLDERS

The number of registered shareholders amounted to 1,220 at 30 April 2015 compared with 1,264 the year before. The above table shows the shareholders who - according to section 29 of the Danish Securities Trading Act - have registered a shareholding in excess of 5% of the company's total share capital.

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

GENERAL MEETINGS

The annual general meeting of BoConcept Holding will be held on 27 August 2015 at 4 p.m. at the company's head office at Mørupvej 16, DK-7400 Herning.

INVESTOR RELATIONS

The purpose of the BoConcept investor relations activities is to ensure 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.

STOCK EXCHANGE ANNOUNCEMENTS

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.

INVESTOR MEETINGS AND ANALYSTS

BoConcept is in contact with investors and share analysts on an ongoing basis. Presentations, meetings and telephone conferences with discussions on results, strategies and risks are held on a regular basis.

BoConcept holds no investor meetings for a period of three weeks before any publication of its financial results.

At 30 June 2015 BoConcept was being monitored by the following share analyst: Poul Ernst Jessen, Danske Bank Equities

CONTACT

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.

STOCK EXCHANGE ANNOUNCEMENTS 2014/2015		
25.06.2014	7/2014	Finance calendar
27.06.2014	8/2014	Annual report 2013/2014
02.07.2014	9/2014	Insiders' dealing
25.07.2014	10/2014	Strategic partnering agreement to boost expansion in China
05.08.2014		Annual general meeting 2014
27.08.2014	11/2014	Interim financial report, Q1 2014/2015
09.09.2014	12/2014	Revised articles of association
21.10.2014	13/2014	Major shareholder announcement
05.12.2014	14/2014	Interim financial report, Q2 2014/2015
05.12.2014	15/2014	Internal change to the supervisory board of BoConcept Holding A/S
16.12.2014	16/2014	Insiders' dealing
18.12.2014	17/2014	Insiders' dealing
22.12.2014	18/2014	Insiders' dealing
19.02.2015	1/2015	Finance calendar
05.03.2015	2/2015	Interim financial report, Q3 2014/2015
13.03.2015	3/2015	Insiders' dealing
25.03.2015	4/2015	New Chief Operating Officer (COO) in BoConcept Holding A/S
27.05.2015	5/2015	Upward adjustment of forecast for the 2014/2015 financial year

FINANCE CALENDAR FOR THE 2015/2016 FINANCIAL YEAR	
27.08.2015	Interim financial report, Q1 2015/2016
02.12.2015	Interim financial report, Q2 2015/2016
03.03.2016	Interim financial report, Q3 2015/2016

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 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 2014/2015 financial year, BoConcept was pleased to notice its suppliers' increased focus on reducing the environmental impact of their productions. Efforts in this area were focused on improved working conditions and initiatives aiming at reducing the energy consumption through reuse etc. In the 2015/2016 financial year, BoConcept intends to make CSR audits an integral part of the regular supplier visits and working targeted on ensuring that 70% of the upholstery and board furniture buying volume comes from suppliers with established CSR and Global Compact-related action plans.

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 2014/2015 financial year. In the 2015/2016 financial year the mapping of the group's European road transport-related CO_2 emission will continue. Further, focus will be on minimising the environmental impact of our distribution activities as much as possible.

For a detailed review of BoConcept's operational initiatives with respect to corporate social responsibility in the 2014/2015 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 2014/2015 annual report.

PEOPLE OUR MOST VALUABLE ASSET

BoConcept had 612 staff at the end of April 2015, compared with 627 at the same time last year. Of the total headcount, 341 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 targeted management philosophy 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 constant training, motivation and monthly follow-up meetings for 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.

Supervisory & Executive Boards

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

OTHER DIRECTORSHIPS:

EBP Holding A/S (Denmark), Kirk & Thorsen A/S (Denmark), Kirk & Thorsen Invest A/S (Denmark), Modulex Holding ApS (Denmark), Aktieselskabet af 1. December 2004 (Denmark), Biblioteksmedier A/S (Denmark), Genan A/S (Denmark), Genan Holding A/S (Denmark), Genan Invest A/S (Denmark), Modulex A/S (Denmark), TK Development A/S (Denmark), Droob ApS (Denmark), Starco Europe A/S (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.

Viggo Mølholm (deputy chairman)
Born 1952, joined the supervisory board of BoConcept in 2012

OTHER DIRECTORSHIPS:

Ball Group A/S (Denmark), Brands4kids A/S (Denmark), Leander 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 Holding 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.

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.

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), EDC-gruppen a/s (Denmark)

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.

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.

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

OTHER DIRECTORSHIPS:

Olitec Packaging Solutions A/S

Hans Barslund (CFO)
Born 1957, employed in BoConcept since 2002

OTHER DIRECTORSHIPS:

Compo Tech A/S

Peter Raupach Linnet (COO)
Born 1963, employed in BoConcept since 2015

OTHER DIRECTORSHIPS:

None

BOCONCEPT HOLDING SHARES HELD BY THE SUPERVISORY AND THE EXECUTIVE BOARDS

	Shareholding 01.05.2014	Additions 2014/2015	Disposals 2014/2015	Shareholding 30.04.2015	Market value DKK'000
Supervisory board					
Peter Thorsen*, chairman	143,850	37,000	0	180,850	16,548
Viggo Mølholm**, deputy chairman	357,192	256,480	0	613,672	56,151
Henrik Burkal	0	0	0	0	0
Preben Bager	5,184	7,769	0	12,953	1,185
Joan Bjørnholdt Nielsen	1,173	6	0	1,179	108
Poul Brændgaard	502	10	0	512	47
Executive board					
Torben Paulin	75,812	0	0	75,812	6,937
Hans Barslund	67,784	0	0	67,784	6,202
Peter Raupach Linnet	0	0	0	0	0

*The shareholding of Peter Thorsen is owned by Kirk & Thorsen Invest A/S in which Peter Thorsen is part owner and board member.
** In the shareholding of Viggo Mølholm all of the shares owned by BoConcept Invest ApS has been included. Viggo Mølholm possesses 100% of this share capital

Statement by the Executive & Supervisory Boards

The executive and supervisory boards have today discussed and approved the annual report of BoConcept Holding A/S for the financial year 2014/2015.

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 consolidated accounts and the annual report give a true and fair view of the financial position at 30 April 2015 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 2014-30 April 2015.

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, 30 June 2015

EXECUTIVE BOARD

Torben Paulin	Hans Barslund	Peter Raupach Linnet
CEO	CFO	COO

SUPERVISORY BOARD

Peter Thorsen Chairman	Viggo Mølholm 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 2014 to 30 April 2015, 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 2015 and of the results of the Group's operations and cash flows for the financial year 1 May 2014 to 30 April 2015 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 2015 and of the results of the Parent Company's operations and cash flows for the financial year 1 May 2014–30 April 2015 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, 30 June 2015

PRICEWATERHOUSECOOPERS, STATSAUTORISERET REVISIONSPARTNERSELSKAB

Claus Lindholm Jacobsen
State Authorised Public Accountant

Henrik Skjøtt Sørensen
State Authorised Public Accountant

Income Statement & Total Income Consolidated Accounts

DKK'000

CONSOLIDATED INCOME STATEMENT 1 MAY - 30 APRIL

		2014/15	2013/14
3	**Revenue**	1,147,513	1,049,469
4,5	Production costs	(681,779)	(600,679)
	Gross profit	465,734	448,790
4,5	Distribution costs	(369,358)	(373,219)
4-6	Administrative expenses	(83,216)	(93,465)
7	Other operating income	1,891	337
8	Other operating expenses	0	(4,161)
	Operating profit / loss before special items (EBIT before special items)	15,051	(21,718)
9	Special items	(65,795)	0
	Profit / loss from operating activities (EBIT)	(50,744)	(21,718)
10	Financial income	7,064	4,520
11	Financial expenses	(14,932)	(6,534)
	Profit / loss before tax	(58,612)	(23,732)
12	Tax on profit/loss for the year	1,500	10,893
	Profit / loss for the year	(57,112)	(12,839)
	Broken down as follows:		
	Shareholders of BoConcept Holding A/S	(56,874)	(11,810)
	Minority interests	(238)	(1,029)
		(57,112)	(12,839)
13	Earnings per share		
	Earnings per share	(20.1)	(4.1)
	Diluted earnings per share	(20.1)	(4.1)

TOTAL INCOME

	2014/15	2013/14
Profit/loss for the period	(57,112)	(12,839)
Items that later can be recirculated to income statement:		
Revaluation of hedging instruments before tax	(994)	727
Settlement of hedging instruments	(507)	(453)
Foreign currency translation, foreign units	4,250	(4,966)
Tax on total income items	353	(67)
Total income for the period	(54,010)	(17,598)
Broken down as follows:		
Shareholders of BoConcept Holding A/S	(53,772)	(16,569)
Minority interests	(238)	(1,029)
Total income for the period	(54,010)	(17,598)

Balance Sheet

Consolidated Accounts

DKK'000

Note	AS AT 30 APRIL	2015	2014
	ASSETS		
	Goodwill	12,574	16,323
	Master rights	36,599	42,225
	Software	24,570	22,085
	Intangible assets in progress	798	6,572
14	**Total intangible assets**	74,541	87,205
	Land and buildings	59,138	65,420
	Leasehold improvements	14,605	23,648
	Plant and machinery	16,776	17,886
	Fixtures and operating equipment	5,484	7,873
	Property, plant and equipment in progress	292	514
15	**Total tangible assets**	96,295	115,341
16	Deferred tax	12,424	8,610
17	Other financial assets	21,838	24,863
17	Deposits	11,631	13,202
	Total other non-current assets	45,893	46,675
	Total non-current assets	216,729	249,221
18	Inventories	151,252	143,381
19	Trade receivables	122,631	144,522
20	Other receivables	23,199	28,406
	Cash and cash equivalents	12,416	16,320
	Total current assets	309,498	332,629
	TOTAL ASSETS	526,227	581,850

Balance Sheet

Consolidated Accounts

DKK'000

Note	AS AT 30 APRIL	2015	2014
	LIABILITIES AND EQUITY		
	Share capital	28,621	28,621
	Translation reserve	(2,036)	(6,286)
	Hedging reserve	(2,124)	(976)
	Retained earnings	132,866	188,897
	Dividend proposed	0	0
21	**Equity share, BoConcept Holding A/S shareholders**	157,327	210,256
	Minority interests	0	(812)
21	**Total equity**	157,327	209,444
16	Deferred tax	12,192	11,747
23	Other provisions	10,316	9,484
24,31	Mortgage credit institutions and banks	66,287	68,940
	Total non-current liabilities	88,795	90,171
22	Employee bonds	0	1,299
24,31	Mortgage credit institutions and banks	51,001	57,924
	Trade payables	122,197	118,485
	Prepayment from customers	40,555	39,818
	Income tax payable	0	(387)
	Other payables	66,352	65,096
	Total current liabilities	280,105	282,235
	Total liabilities	368,900	372,406
	TOTAL LIABILITIES AND EQUITY	526,227	581,850

25 Contingent liabilities and security
29 Currency risk
30 Related parties
31 New accounting regulations

Statement of Equity Movements Consolidated Accounts

DKK'000

CONSOLIDATED STATEMENT OF EQUITY MOVEMENTS

	Share capital	Hedging reserve	Translation reserve	Retained earnings	Dividend proposed	Total
Equity at 1 May 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
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
Share-based payments warrants				0		0
Acquired minority interest				843		843
Sale of treasury shares				0		0
Distributed dividend					0	0
Dividend proposed					0	0
Total transactions with shareholders	0	0	0	843	0	843
Total income for the period		(1,148)	4,250	(56,874)		(53,772)
Equity at 30 April 2015	28,621	(2,124)	(2,036)	132,866	0	157,327

Information as to what reserves are available for distribution, reference is made to the parent company's statement of equity movements.

The appropriation of profit is shown in the parent company's income statement, including dividend per share.

Cash Flow Statement

Consolidated Accounts

DKK'000

Note	CONSOLIDATED CASH FLOW STATEMENT	**2014/15**	2013/14
	Revenue	1,147,513	1,049,469
	Operating expenses	(1,198,257)	(1,071,187)
26	Adjustment for non-cash items	117,251	79,542
27	Change in net working capital	(33,094)	(42,675)
	Cash flow from operating activities before financial items	33,413	15,149
	Interest income etc.	7,064	4,520
	Interest paid	(15,690)	(6,066)
	Income taxes paid	(6,210)	(8,631)
	Cash flow from operating activities	18,577	4,972
	Acquisition of intangible assets	(8,589)	(25,205)
	Sale of intangible assets	0	0
	Acquisition of tangible assets	(8,247)	(28,426)
	Sale of tangible assets	0	0
	Acquisition of financial assets	(5,651)	(16,586)
	Sale of financial assets	9,280	7,186
28	Acquisition of companies	0	0
28	Sale of companies	0	3,587
	Cash flow for investing activities	(13,207)	(59,444)
	Cash flow before financing activities	5,370	(54,472)
	Raising of long-term loans	9,846	33,943
	Instalments on long-term debt	(11,695)	(8,508)
	Employee bonds	(1,299)	(1,375)
	Shareholders:	0	0
	Acquired minority share	843	0
	Purchase treasury shares	0	0
	Sale of treasury shares	0	56
	Dividend paid	0	0
	Cash flow from financing activities	(2,305)	24,116
	Cash inflow/outflow for the year	3,065	(30,356)
	Cash and cash equivalents less short-term bank debt, beginning of the year	(31,712)	(888)
	Revaluation of cash and cash equivalents	758	(468)
	Cash and cash equivalents, year-end	(27,889)	(31,712)
	The amount may be broken down as follows:		
	Cash without restrictions	12,416	16,320
	Short-term debt to credit institutions, cf. note 31	(40,305)	(48,032)
		(27,889)	(31,712)

Notes, Consolidated Accounts

ACCOUNTING POLICIES APPLIED

1 **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 2014/2015.

A description of new standards and interpretations that are not yet effective is included in note 32 to the consolidated accounts.

Consolidated financial statements and business combinations

The consolidated financial statements include the parent, BoConcept Holding, 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 A/S and the subsidiaries are collectively referred to as the group. Please refer to page 9 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.

Notes, Consolidated Accounts

ACCOUNTING POLICIES APPLIED

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, debts 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.

Notes, Consolidated Accounts

ACCOUNTING POLICIES APPLIED

Changes in the portion of the fair value of derivative financial instruments designated as and qualifying as a cash flow hedge are recognised in 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 is 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 to. 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.

Notes, Consolidated Accounts

ACCOUNTING POLICIES APPLIED

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.

Special items

The item 'special items' includes sizeable amounts that are not attributable to ordinary operations, for instance special provisions for impairment losses on intangible assets and property, plant and equipment as well as reorganisation measures. Special items may also contain reversals or adjustments related to previous impairments and provisions.

Special items as described above are shown on a separate line in the income statement.

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.

Notes, Consolidated Accounts

ACCOUNTING POLICIES APPLIED

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 an is measured at cost less accumulated amortisation. Software is written down to the recoverable amount or to the carrying amount, whichever 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:

Notes, Consolidated Accounts

ACCOUNTING POLICIES APPLIED

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

Securities are recognised at fair value.

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 write-downs. Provisions for losses are settled on the basis of individual assessments of receivables based on concrete risks of inability to pay. Further group write-downs on franchisees are based on a general assessment of risk of inability to pay. This is based on experiences from previous years.

Notes, Consolidated Accounts

ACCOUNTING POLCIES APPLIED

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.

Hedging transaction reserve

Hedging instruments are recognised at fair value, and fair value adjustments are effected in the equity for unsettled instruments.

LIABILITIES

Income taxes and deferred tax

In pursuance of the joint taxation provisions BoConcept Invest 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.

Notes, Consolidated Accounts

ACCOUNTING POLICIES APPLIED

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 liabilitiesalso 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.

Notes, Consolidated Accounts

NOTE 2

2 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.

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 measurement of goodwill, master rights, trade receivables 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 14, and for deferred tax note 16 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.

In the 2014/2015 financial year the deferred tax liabilities were realised in connection with the withdrawal from the joint taxation.

Further, the group expects to exercise DKK 7.9 million of deferred tax assets within one year.

Notes, Consolidated Accounts

NOTES 3, 4

3 **SEGMENT INFORMATION (DKK MILLION)**

BoConcept is a global brand represented in 59 markets worldwide.
The reportable segment information is stated in the income statement, balance sheet and cash flow statement.

	Revenue		Segment assets		Investments in tangible and intangible assets	
Geographic	**2014/15**	2013/14	**2014/15**	2013/14	**2014/15**	2013/14
Nordic countries	128.8	135.5	413.1	458.7	14.2	35.0
Remainder of Europe	529.8	500.0	26.4	30.4	0.0	8.0
North America	132.9	125.1	6.5	17.8	0.0	0.0
Latin America	63.9	56.5	0.0	0.0	0.0	0.0
Asia	247.6	196.3	80.2	75.0	2.6	10.6
Middle East & Africa	44.5	36.1	0.0	0.0	0.0	0.0
Group total	1,147.5	1,049.5	526.2	581.9	16.8	53.6

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.

4 **COSTS (DKK'000)**

Staff costs	**2014/15**	2013/14
Wages and salaries	(202,708)	(208,817)
Pensions	(9,602)	(9,407)
Other social security costs	(16,461)	(16,626)
Share-based payments	0	1,263
Other staff costs	(4,095)	(3,671)
	(232,866)	(237,258)
Staff costs are recognised as follows:		
Production costs	(66,717)	(71,812)
Distribution costs	(116,156)	(113,316)
Administrative expenses	(49,993)	(52,130)
	(232,866)	(237,258)
Average number of employees	612	627
Cost in respect of share-based payments (warrants/ employee shares) for the year is recognised as follows:		
Production costs	0	230
Distribution costs	0	418
Administrative expenses	0	615
	0	1,263

Notes, Consolidated Accounts

NOTE 4

4 COSTS (DKK'000) - CONTINUED

Remuneration of the supervisory board, the executive board and executives	**2014/15**			2013/14		
	Super-visory board of the parent company	Executive board of the parent company	Other executives	Super-visory board of the parent company	Executive board of the parent company	Other executives
Wages and salaries	(1,597)	(3,377)	(4,855)	(1,610)	(3,373)	(3,468)
Bonus	0	(265)	(392)	0	0	0
Pensions	0	(259)	(350)	0	(164)	(265)
Share-based payments (warrants/employee shares)	0	0	0	82	164	123
	(1,597)	(3,901)	(5,597)	(1,528)	(3,373)	(3,610)

The total remuneration of the group management was DKK (11,095,000) (last year DKK (8,511,000).

Remuneration of the supervisory board includes consultancy fee and company car costs of DKK (459,000) (last year DKK (497,000) for the deputy chairman. The remuneration covers a number of consultancy services that are not related to the work of the supervisory board.

Share options schemes
In 2007, share options in BoConcept Holding A/S were allotted to other executives. The option scheme included 3,000 shares at a nominal value of DKK 10 each. The options may be exercised until mid-June 2015. The employees have renounced the right for these.

Specification of outstanding options	Super-visory board	Executive board	Other executives	Other employees	Total	Exercise price*	Fair value per option*
Number of options to be exercised:							
1 May 2013	22,000	30,000	0	95,800	147,800	162	35
Carried forward	0	0	15,000	(15,000)	0	153	32
Allotted in 2013/2014	0	0	0	0	0	0	0
Exercised	0	0	0	(1,300)	(1,300)	45	85
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		
Carried forward	0	0	0	0	0	0	0
Allotted in 2014/2015	0	0	0	0	0	0	0
Exercised	0	0	0	0	0	0	0
Expired	0	0	0	(7,800)	(7,800)	260	200
Outstanding at 30 April 2015	0	0	0	0	0		

* Time of allotment

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

Notes, Consolidated Accounts

NOTES 5, 6, 7, 8, 9

5 DEPRECIATION, AMORTISATION, WRITE-DOWNS AND IMPAIRMENT LOSSES (DKK'000)

	2014/15	2013/14
Amortisation of intangible assets	(11,948)	(10,352)
Write-downs of intangible assets	(13,067)	(1,417)
Depreciation of tangible assets	(23,030)	(25,551)
Write-downs of tangible assets	(5,543)	0
	(53,588)	(37,320)
Depreciation, amortisation, write-downs and impairment losses are recognised in the income statement as follows:		
Production costs	(10,708)	(11,077)
Distribution costs	(8,245)	(11,581)
Administrative expenses	(16,026)	(14,662)
Special items	(18,609)	0
	(53,588)	(37,320)

All write-downs are recognised in special items

Development costs		
Development costs paid during the year	(6,663)	(6,347)

6 FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING (DKK'000)

	2014/15	2013/14
Aggregate fee PwC	(1,717)	(1,344)
may be broken down as follows:		
Audit, PwC	(1,089)	(1,034)
Other assurance engagements PwC	0	0
Other services PwC	(358)	(155)
Tax consultancy PwC	(270)	(155)
	(1,717)	(1,344)

7 OTHER OPERATING INCOME (DKK'000)

	2014/15	2013/14
Refunds	1,883	0
Gain on sale of tangible assets	8	337
	1,891	337

Refunds concerning activities in China,

8 OTHER OPERATING EXPENSES (DKK'000)

	2014/15	2013/14
Loss disposal of assets	0	(1,188)
Restructuring and closing down costs	0	(2,973)
	0	(4,161)

Restructuring and closing down costs in 2013/2014 relate to closing of store in Sweden and restructuring costs in France.

9 SPECIAL ITEMS (DKK'000)

	2014/15	2013/14
Provisions for bad debts	(38,220)	0
Write-downs intangible and tangible assets	(18,609)	0
Law costs Sweden	(1,859)	0
Restructuring and closing down costs	(7,107)	0
	(65,795)	0

In the financial year 2014/2014 implementation of Horizon 16/17 has resulted in costs for provisions for bad debts incidental to the closure of stores and refranchising and amortisation of goodwill and master rights. Restructuring and closing down costs in 2014/2015 relate to closing of stores in Denmark, Sweden, the USA and Spain as well as restructuring costs related to staff under notice in Denmark and closing of warehouse in the USA.

Notes, Consolidated Accounts

NOTES 10, 11, 12, 13

10 FINANCIAL INCOME (DKK'000)

	2014/15	2013/14
Other interest income	7,064	4,520
	7,064	4,520

11 FINANCIAL EXPENSES (DKK'000)

	2014/15	2013/14
Other interest expenses	(8,750)	(5,061)
Settlement of hedging instruments	(507)	(453)
Foreign exchange losses	(5,675)	(1,020)
	(14,932)	(6,534)

12 TAX (DKK'000)

	2014/15	2013/14
Tax for the year breaks down as follows:		
Tax on profit for the year	1,500	10,893
Tax on total income items	353	(67)
	1,853	10,826
Tax on profit/loss for the year may be subdivided as follows:		
Current tax	99	(1,683)
Revaluation deferred tax asset	0	22,281
Deferred tax	649	10,319
Value adjustment of the retaxation balance due to the withdrawal from the international joint taxation scheme	0	(22,281)
Adjustment in deferred tax due to a percentage change	0	160
Adjustment of tax related to previous years	1,105	2,030
	1,853	10,826
Tax on profit/loss for the year may be explained as follows:		
Calculated 23.5/24.5% tax on profit/loss for the year before tax	13,774	5,814
Tax on total income items	353	(67)
The tax effect of:	0	0
Deviation in foreign companies' tax rate compared to Danish tax rate (net)	278	(150)
Non-taxable income and non-deductible costs	(3,877)	191
Losses with no recognition of tax and no tax effect upon withdrawal from the international joint taxation scheme	0	3,008
Tax on foreign loss, not recognised	(5,094)	0
Revaluation deferred tax asset	(4,686)	22,281
Value adjustment of retaxation balance due to the withdrawal from the international joint taxation scheme	0	(22,281)
Adjustment of tax related to previous years	1,105	2,030
	1,853	10,826
Effective tax rate	3.2	45.6

13 EARNINGS PER SHARE (DKK'000)

	2014/15	2013/14
Profit/loss for the year	(57,112)	(12,839)
Minority interests	238	1,029
Result of the year, BoConcept Holding A/S shareholders	(56,874)	(11,810)
Average number of shares in circulation	2,862,119	2,862,119
Number of treasury shares	(11,400)	(11,400)
Number of shares in circulation	2,850,719	2,850,719
Average dilution effect of outstanding share options and warrants	0	0
Diluted number of shares in circulation	2,850,719	2,850,719
Earnings per share (EPS) of DKK 10	(20.0)	(4.1)
Earnings per diluted share of DKK 10	(20.0)	(4.1)

Notes, Consolidated Accounts

NOTE 14

14 INTANGIBLE ASSETS (DKK'000)

2015

	Goodwill	Master rights	Software	Intangible assets in progress	Total
Acquisition cost, beg./year	21,886	42,225	65,446	6,572	136,129
Foreign exchange rate adjustments	4,828	0	179	0	5,007
Additions	0	0	7,790	799	8,589
Carried forward	0	0	6,573	(6,573)	0
Disposals for the year	(500)	(187)	(140)	0	(827)
Acquisition cost, year-end	26,214	42,038	79,848	798	148,898
Amortisation and impairment losses, beg./year	(5,563)	0	(43,361)	0	(48,924)
Foreign exchange rate adjustments	(949)	0	(109)	0	(1,058)
Write-downs for the year	(7,628)	(5,439)	0	0	(13,067)
Amortisation for the year	0	0	(11,948)	0	(11,948)
Disposals for the year	500	0	140	0	640
Amortisation and impairment losses, year-end	(13,640)	(5,439)	(55,278)	0	(74,357)
Carrying amount, year-end	12,574	36,599	24,570	798	74,541
Depreciated over a period of			3-8 years		

Write-downs of goodwill and master rights for the year relate to goodwill in the USA and master rights in Spain and Denmark.

Goodwill relates to acquisition of goodwill in China in 2013/2014. Master rights relate to acquisition of master rights in China, 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 2014 and 30 April 2015.
The carrying amount of goodwill and master rights is based on cash flow generating stores in Denmark, the USA, the UK, Spain, Portugal, Sweden 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 and master rights 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 at an annual growth rate of 3%, followed by the calculation of a terminal value without annual growth. All amounts have been discounted at 10.66% before tax.

The calculated recoverable amounts of the remaining values are significantly higher than the carrying amounts.

2014

	Goodwill	Master rights	Software	Intangible assets in progress	Total
Acquisition cost, beg./year	12,442	34,507	52,314	5,340	104,603
Foreign exchange rate adjustments	(644)	1	(134)	0	(777)
Additions	0	8,277	1,168	15,760	25,205
Additions purchases for the year	10,088	0	365	0	10,453
Carried forward	0	0	14,528	(14,528)	0
Disposals for the year	0	(560)	(2,795)	0	(3,355)
Acquisition cost, year-end	21,886	42,225	65,446	6,572	136,129
Amortisation and impairment losses, beg./year	(4,360)	0	(35,243)	0	(39,603)
Foreign exchange rate adjustments	214	0	122	0	336
Write-downs for the year	(1,417)	0	0	0	(1,417)
Amortisation for the year	0	0	(10,352)	0	(10,352)
Disposals for the year	0	0	2,112	0	2,112
Amortisation and impairment losses, year-end	(5,563)	0	(43,361)	0	(48,924)
Carrying amount, year-end	16,323	42,225	22,085	6,572	87,205
Depreciated over a period of			3-8 years		

Notes, Consolidated Accounts

NOTE 15

15 TANGIBLE ASSETS (DKK'000)

2015	Land and buildings	Leasehold improve-ments	Plant and machinery	Fixtures and operating equipment	Property, plant and equipment in progress	Total
Acquisition cost, beg./year	191,033	43,974	167,587	35,426	514	438,534
Foreign exchange rate adjustments	0	3,221	0	1,608	0	4,829
Additions	0	1,996	4,397	1,582	272	8,247
Carried forward	0	0	0	494	(494)	0
Additions purchases for the year	0	0	0	0	0	0
Disposals for the year	0	(6,380)	(477)	(2,017)	0	(8,874)
Acquisition cost, year-end	191,033	42,811	171,507	37,093	292	442,736
Depreciation and impairment losses, beg./year	(125,613)	(20,326)	(149,701)	(27,553)	0	(323,193)
Foreign exchange rate adjustments	0	(1,675)	0	(1,322)	0	(2,997)
Carried forward	0	0	0	0	0	0
Depreciation on purchase	0	0	0	0	0	0
Depreciation for the year	(6,282)	(6,932)	(5,495)	(4,321)	0	(23,030)
Write-downs	0	(5,170)	0	(373)	0	(5,543)
Disposals for the year	0	5,897	465	1,960	0	8,322
Depreciation and impairment losses, year-end	(131,895)	(28,206)	(154,731)	(31,609)	0	(346,441)
Carrying amount, year-end	59,138	14,605	16,776	5,484	292	96,295
Depreciated over a period of	10-25 yrs	3-10 yrs	5-9 yrs	3-7 yrs		

Write-downs of assets for the year relate to closing of stores.

Plant and machinery includes leased assets at a carrying amount of DKK 10.5 million (last year DKK 9.0 million).
The fitting out of rented premises includes the maintenance obligation recognised in the carrying amount of DKK 3.9 million (last year DKK 4.0 million).

2014	Land and buildings	Leasehold improve-ments	Plant and machinery	Fixtures and operating equipment	Property, plant and equipment in progress	Total
Acquisition cost, beg./year	190,851	35,691	161,532	37,440	3,504	429,018
Foreign exchange rate adjustments	0	(1,904)	0	(605)	0	(2,509)
Additions	182	16,225	6,174	2,632	3,213	28,426
Additions purchases for the year	0	0	2,217	3,986	(6,203)	0
Carried forward	0	1,444	0	73	0	1,517
Disposals for the year	0	(7,482)	(2,336)	(8,100)	0	(17,918)
Acquisition cost, year-end	191,033	43,974	167,587	35,426	514	438,534
Depreciation and impairment losses, beg./year	(119,136)	(22,004)	(145,908)	(29,366)	0	(316,414)
Foreign exchange rate 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, year-end	(125,613)	(20,326)	(149,701)	(27,553)	0	(323,193)
Carrying amount, year-end	65,420	23,648	17,886	7,873	514	115,341
Depreciated over a period of	10-25 yrs	3-10 yrs	5-9 yrs	3-7 yrs		

Notes, Consolidated Accounts

NOTES 16, 17, 18

16 **DEFERRED TAX (DKK'000)**

	2014/15	2013/14
Deferred tax, beg./year	(3,137)	(11,634)
Deferred tax for the year	7,714	10,319
Transferred current tax	(4,909)	0
Change due to tax rate	0	160
Foreign exchange rate translation	564	(1,982)
Deferred tax, year-end	232	(3,137)
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (asset)	12,424	8,610
Deferred tax (liability)	(12,192)	(11,747)
Net deferred tax, year-end	232	(3,137)
Deferred tax relates to:		
Intangible assets	(7,210)	(8,422)
Tangible assets	1,978	(1,800)
Current assets	5,152	9,099
Tax loss carry forwards	312	8,610
Re-taxation balances	0	(10,624)
	232	(3,137)

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

The supervisory and executive boards have decided to withdraw from the international joint taxation scheme at 26 April 2014 resulting in the tax of the retaxation balance being recognised as deferred tax.

The company has tax loss carryforwards in foreign entities that are unrecognised since the management estimates that utilisation of such losses is uncertain. At the end of the year the tax value of such loss carryforwards amounted to DKK 28.4 million (last year DKK 26.8 million).

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

17 **OTHER FINANCIAL ASSETS AND DEPOSITS (DKK'000)**

	Deposits		Other financial assets	
	2015	2014	2015	2014
Acquisition cost, beg./year	13,202	14,606	24,863	15,119
Foreign exchange rate adjustments	756	(1,028)	1,160	(32)
Additions	226	1,429	5,425	15,157
Depreciation for the year	0	0	(2,883)	0
Disposals for the year	(2,553)	(1,805)	(6,727)	(5,381)
Acquisition cost, year-end	11,631	13,202	21,838	24,863

18 **INVENTORIES (DKK'000)**

	2014/15	2013/14
Raw materials and consumables	8,354	9,133
Goods in progress	8,140	11,309
Manufactured goods and goods for sale	134,758	122,939
	151,252	143,381
Cost of sales for the year which is included in production costs	609,333	520,361
Write-down of inventories	(12,487)	(19,938)
Reversal of write-downs for the year	4,557	1,308

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

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19 TRADE RECEIVABLES (DKK'000)

	2015	2014
Trade receivables	122,631	144,522
Provisions for losses have been recognised in the above item as follows:		
Provisions, beg./year	(115,875)	(86,016)
Provisions for the year	(86,638)	(48,406)
Losses recognised for the year	5,263	8,112
Exchange rate adjustments for the year	(11,562)	0
Reversed provisions for the year	23,189	10,435
Provisions, year-end	(185,623)	(115,875)

The annual operational effect of provisions and losses recognised amount to DKK 62.8 million (last year 39.3 million).
In the 2014/2015 financial year a credit committee was established and a revised credit policy was implemented, which has resulted in a reorganisation of the chain of stores, resulting in special provisions for losses on bad debts of DKK 38 million.

Provisions were adversely affected by individual items relating to stores in the USA and Europe (France, Belgium and Greece).

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.

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

	2015	2014
Due in 0-60 days	14,714	22,031
Due in 61-180 days	0	3,134
Due after more than 180 days	0	853
	14,714	26,018

20 OTHER RECEIVABLES (DKK'000)

	2015	2014
Other receivables	11,548	16,834
Tax receivables	3,699	0
Prepayments	7,952	11,572
	23,199	28,406

21 SHARE CAPITAL (DKK'000)

	Number of shares		Nominal value	
	2015	2014	2015	2014
Beg. year/ year-end class A-shares	240,000	240,000	2,400	2,400
Class B-shares, beg./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.

	Number of shares		Nominal value		% share capital	
Treasury shares	2015	2014	2015	2014	2015	2014
1 May	11,400	12,700	114	127	0.40	0.45
Acquisition	0	0	0	0	0.00	0.00
Sale	0	(1,300)	0	(13)	0.00	(0.05)
Treasury shares at 30 April	11,400	11,400	114	114	0.40	0.40

22 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 the employee bonds.

In January 2015, the remainder of the employee bonds were paid out.

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NOTES 23, 24, 25

23 OTHER PROVISIONS (DKK'000)

	2015	2014
Acquisition cost, beg./year	9,484	5,232
Foreign rate adjustments	1,254	(221)
Additions for the year	876	4,473
Disposals for the year	(1,298)	0
	10,316	9,484

Other provisions relate to re-establishment of leaseholds.

24 AMOUNTS OWED TO CREDIT INSTITUTIONS (DKK'000)

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

	2015			2014		
	Lease payment	Interest	Carrying amount	Lease payment	Interest	Carrying amount
0-1 year	2,994	(261)	2,733	3,531	(236)	3,295
1-5 years	5,030	(582)	4,448	4,332	(427)	3,905
>5 years	2,447	(49)	2,398	1,671	(32)	1,639
	10,471	(892)	9,579	9,534	(695)	8,839

Leased equipment comprises production, plant and machinery at the production in Ølgod. The term remaining of the leases is approx. 1-8 years. The leases have been concluded in DKK and EUR with fixed as well as variable leasing payments for the remainder of the term.

25 CONTINGENT LIABILITIES AND SECURITY (DKK'000)

	2015	2014
Land and buildings recognised at:	59,138	65,420
Production plant and machinery recognised at:	6,298	8,886
Are charged in addition to the mortgage debt of:	51,918	54,105
Subject to letter of indemnity of:	50,000	50,000
Security in the following BoConcept A/S assets:		
Goodwill, domain names and various rights	36,600	0
Plant, operating equipment and machinery	10,057	0
Inventory value	127,971	0
Receivables and location involvement	122,558	0
Total	297,186	0
Registered value of company security	125,000	0
Non-terminable operating leases are as follows:		
0-1 year	40,629	43,578
1-5 years	50,355	84,878
>5 years	29,682	29,583
	120,666	158,039

The group leases store premises and cars under operating leases. The leasing period is usually between 3 and 10 years with the possibility of prolongation.

BoConcept A/S has provided guarantee for franchisees' landlords for rent of DKK 2.5 million (last year DKK 3.4 million).
BoConcept A/S has provided guarantee for bank loans raised by franchisees of DKK 11.7 million (last year DKK 5.2 million).

Non-terminable operating leases from franchisee:		
0-1 year	1,030	1,030
1-5 years	4,119	4,118
>5 years	4,120	5,150
	9,269	10,298

Notes, Consolidated Accounts

NOTES 26, 27, 28

26 **ADJUSTMENT FOR NON-CASH ITEMS (DKK'000)**

	2015	2014
Depreciation and impairment losses for the year	53,588	37,319
Provisions for re-establishment of leaseholds	832	4,252
Provisions for losses on bad debts	62,831	37,971
	117,251	79,542

27 **CHANGES IN WORKING CAPITAL (DKK'000)**

	2015	2014
Change receivables	(28,465)	(37,337)
Change inventories	(3,669)	(33,998)
Change trade payables, etc.	(960)	28,660
	(33,094)	(42,675)

28 **ACQUISITION/DISPOSAL OF GROUP ENTERPRISES AND ACTIVITIES (DKK'000)**

Acquisition of companies	**2014/15**	2013/14
	Fair value at acquisition date	Fair value at acquisition date
Tangible assets	0	1,999
Inventories	0	5,691
Receivables	0	4,143
Cash	0	3,979
Trade payables	0	(11,318)
Other payables	0	(5,436)
Prepayment from customers	0	(9,772)
Acquired net assets	0	(10,714)
Goodwill	0	10,714
Acquisition costs in cash	0	0

Last year the group acquired 85% of BoConcept Retail China Ltd.

Notes, Consolidated Accounts

NOTES 28, 29

28 ACQUISITION/DISPOSAL OF GROUP ENTERPRISES AND ACTIVITIES (DKK'000) - CONTINUED

Sale of companies	2014/15 Fair value at acquisition date	2013/14 Fair value at acquisition date
Intangible assets	0	0
Tangible assets	470	215
Financial assets	933	246
Inventories	4,202	2,413
Receivables	1,059	1,527
Cash	0	0
Prepayments from customers	(1,864)	(581)
Other payables	(4,800)	(233)
Sales sum	0	3,587
Of which cash	0	0
Sales sum (settled with bonds)	0	3,587

On 31 December 2014 BoConcept A/S sold the company BC Design København A/S.
The sale has not impacted the revenue and operating profit/loss significantly.

29 FOREIGN EXCHANGE RISKS (DKK'000)

		2015			
Foreign currencies	Pre-payment/ maturity	Receiv-ables	Liabilities other than provisions	Hedged by forward exchange contracts	Net position
PLN	<1 year	6,218	(830)	0	5,388
	>1 year	3,104	0	0	3,104
GBP	<1 year	18,325	(10,729)	(46,471)	(38,875)
	>1 year	906	0	0	906
JPY	<1 year	17,563	(27,409)	(30,976)	(40,822)
	>1 year	0	0	0	0
SEK	<1 year	1,043	(5,635)	(3,217)	(7,809)
	>1 year	0	0	0	0
USD	<1 year	86,710	(28,544)	(23,724)	34,442
	>1 year	7,903	0	0	7,903
EUR	<1 year	159,237	(42,466)	0	116,771
	>1 year	2,749	(42,344)	0	(39,595)
CNY	<1 year	8,937	(41,682)	8,153	(24,592)
	>1 year	0	0	0	0
Other	<1 year	3,137	(1,082)	(132)	1,923
	>1 year	0	(3,714)	0	(3,714)
		315,832	(204,435)	(96,367)	15,030
Sale/purchase of currencies in accordance with agreements				91,479	
Unrealised net loss				(4,888)	

Notes, Consolidated Accounts

NOTES 29, 30

29 **FOREIGN EXCHANGE RISKS (DKK'000) - CONTINUED**

	2014				
Foreign currencies	Pre-payment/ maturity	Receiv-ables	Liabilities other than provisions	Hedged by forward exchange contracts	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)	

30 **TRANSACTIONS WITH RELATED PARTIES**

BoConcept Holding A/S' related parties with significant influence include the Class A-shareholder of the company, 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 Holding has control or significant influence, cf. group overview on page 9.

Transactions conducted with the executive board only include normal management remuneration, cf. note 4 in the consolidated accounts as well as the transactions shown below.

Transactions conducted with other executives include normal remuneration, cf. note 4 in the consolidated accounts.

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

Viggo Mølholm receives DKK (459,000) (last year DKK (497,000) in consultancy fee and company car for the consultancy services that are not related to the work of the supervisory board.

Notes, Consolidated Accounts

NOTE 31

31 DERIVATIVE FINANCIAL INSTRUMENTS AND RISK AND CAPITAL MANAGEMENT (DKK'000)

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 risk. 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 Management. As a result, the carrying amount of financial instruments approx. 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 risk 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 who have submitted opening budgets in advance. Due to the close business relation to the franchisees, the group is unable to hedge these receivables with a third party.

36% (2013/2014 40%) of BoConcept's customers had not defaulted on the due dates at 30 April 2015. In the past the majority of our customers have been paying their debts by the due dates agreed upon. Receivables that are due more than 90 days after the normal due date have been written off in full.

	2015	2014
The maximum credit risk without taking into account security provided for trade receivables	122,631	144,522
The maximum credit risk associated with bank deposit, securities and derivative financial instruments	34,254	41,183
The maximum credit risk associated with other receivables	23,199	28,406
	180,084	214,111

Notes, Consolidated Accounts

NOTE 31

31 **DERIVATIVE FINANCIAL INSTRUMENTS AND RISK AND CAPITAL MANAGEMENT (DKK'000) - 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 ensures to maintain the best possible liquidity in order that it can continue to fulfil its financial commitments, under normal as well extraordinary circumstances. The introduced liquidity procedures have improved the group's debt ratio significantly, and sufficient cash resources are maintained to fulfil expected operational and financial obligations as well as bearing unforeseeable operating costs.

Unutilised credit facilities amounted DKK 68.9 million at the end of financial year compared to DKK 68.0 million the year before.

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

	2015					
			Cash flows			
	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	51,918	51,993	2,857	20,543	33,062	56,462
Amounts owed to credit institutions	17,472	17,472	6,491	8,358	3,659	18,508
Other long-term payables	7,595	7,595	2,954	1,166	6,525	10,645
Bank loans	40,305	40,305	41,695	0	0	41,695
	117,290	117,365	53,997	30,067	43,246	127,310
Trade payables	122,197	122,197	122,197	0	0	122,197
Other payables	117,223	117,224	106,908	8,253	2,063	117,224
	356,710	356,786	283,102	38,320	45,309	366,731
Total financial liabilities	356,710	356,786	283,102	38,320	45,309	366,731
Measured at amortised cost (deposits and receivables)						
Other financial assets	21,838	21,838	6,961	11,934	3,707	22,602
Trade receivables	122,631	122,631	122,631	0	0	122,631
Other receivables	11,548	11,548	11,548	0	0	11,548
Cash	12,416	12,416	12,416	0	0	12,416
	168,433	168,433	153,556	11,934	3,707	169,197
Derivative financial instruments						
Forward exchange contracts	0	0	0	0	0	0
Forward exchange contracts			(96,367)	0	0	(96,367)
	0	0	(96,367)	0	0	(96,367)
Total financial assets	168,433	168,433	57,189	11,934	3,707	72,830

In 2014, The Industrialisation Fund for Developing Countries (IFU) invested HKD 4.2 million in share capital in the BoConcept A/S subsidiary BC Design Holding Ltd. According to the exit-agreement between BoConcept A/S and IFU with put/call option IFU's investment in BC Design Hong Kong Ltd. is - in line with the IFRS rules - included as loan capital. The loan capital from IFU carries interest cf. IFU and BoConcept A/S' exit-agreement.

Notes, Consolidated Accounts

NOTE 31

31 **DERIVATIVE FINANCIAL INSTRUMENTS AND RISK AND CAPITAL MANAGEMENT (DKK'000) - CONTINUED**

	2014					
			Cash flows			
	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 long-term 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
Total financial liabilities	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
Total financial assets	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)
	0	0	(94,480)	0	0	(94,480)
Total financial assets	202,539	202,539	88,019	19,123	917	108,059

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 flow for operating leases, reference is made to note 25 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 subjects 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 observable prices

The fair value of BoConcept's forward exchange contracts of other derivative 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.

Notes, Consolidated Accounts

NOTE 31

31 DERIVATIVE FINANCIAL INSTRUMENTS AND RISK AND CAPITAL MANAGEMENT (DKK'000) - 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 95%) 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 volatile currencies are hedged by means of foreign 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 rate at 30 April vis-a-vis DKK by translation of assets and obligations may be broken down as follows:

	2015	2014
USD		
Equity	1,282	(262)
Profit for the year	1,282	(262)
GBP		
Equity	(908)	(541)
Profit for the year	(908)	(541)
JPY		
Equity	(1,237)	(1,032)
Profit for the year	(1,237)	(1,032)

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

	2015	2014
USD EBIT effect	2,629	217
JPY EBIT effect	2,752	2,951
GBP EBIT effect	3,182	2,955
CNY EBIT effect	(1,731)	(789)

USD purchase in China has been affected by the CNY development compared to USD. A 5% strength of the CNY compared to USD affects the EBIT negatively by USD 1.1 million in 2014/15 and USD 1.2 million in 2013/14.

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/loss for the year.

Notes, Consolidated Accounts

NOTE 31

31 DERIVATIVE FINANCIAL INSTRUMENTS AND RISK AND CAPITAL MANAGEMENT (DKK'000) - 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. The group does not hedge the risk of interest rate fluctuations related to the group's loans, as management in each case assesses whether to use fixed-rate or floating-rate loans.

Analysis of sensitivity to interest rate risks

BoConcept A/S expects the level interest rates in Denmark to be affected by the interest rates in the euro-zone and in the USA. Based on analyses in euro-zone and in the USA, BoConcept expects the level of interest rates to change by up to 1 percentage point either way. A rise in the level of interest rate of 1 percentage point would have the effect outlined below of the equity and loss for the year:

	2015	2014
Equity	(289)	(350)
Loss for the year	(513)	(575)

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 7 years and a fixed rate of interest of 2%, covering 58% of our total debt to mortgage credit institutions (last year 56%). The weighted effective rate of interest measured at the balance sheet date, was 2.2% compared with 2.7% last year.

The market value of the interest rate swap agreement in negative before tax DKK 2.8 million (last year a negative value of DKK 1.3 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 an excess liquidity from the profit for the year after tax must be paid back to the shareholders, either as divided 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 Risk Management.

Notes, Consolidated Accounts

NOTE 32

32 NEW ACCOUNTING STANDARDS

At 30 April 2015, IASB had approved the following new accounting standards (IFRSs and IASs) and interpretations (IFRICs) that are effective for the 2015/2016 financial year or later and are assessed to be of relevance to the BoConcept group.

IFRS 9 Financial Instruments

It addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets and obligations: amortised cost, fair value through Other comprehensive income and fair value through Profit & Loss. A new expected credit loss model replaces the incurred loss impairment model used in IAS 39. IFRS 9 simplifies the requirements for hedge accounting in order to ensure a higher degree of agreement between the company's financial risk management and the application of the requirements for hedge accounting. E.g. the requirements for hedge effectiveness are relaxed. The BoConcept group is yet to assess the full impact of IFRS 9.

IFRS 15 Revenue from contracts with customers

It deals with revenue. Revenue is recognised when a customer obtains control of a good or service. The standard replaces IAS 18 Revenue and IAS 11 Construction Contracts and related interpretations. It is assessed to be of no relevance to BoConcept.

As part of the annual improvement project, the IASB has approved changes to several existing standards.

Further, IASB has approved minor changes to IAS 1 Presentation of annual reports.

The IASB has approved further new standards and interpretations that are not relevant to BoConcept and will have no effect on the Financial Statements.

Income Statement Parent Company

DKK'000

1 MAY - 30 APRIL

Note		2014/15	2013/14
	Revenue	0	0
2	Administrative expenses	(5,098)	(4,767)
3	Other operating income	5,340	5,340
	Profit before financial income and expenses	242	573
4	Profit/loss from activities in group enterprises	(55,253)	(43,230)
5	Financial income	2,659	2,332
6	Financial expenses	(212)	(165)
	Profit/loss before tax	(52,564)	(40,490)
7	Tax on profit/loss for the year	(1,712)	23,750
	Profit/loss for the year	(54,276)	(16,740)
	Recommended appropriation of profits:	0	0
	Transfer to net revaluation reserve	0	0
	Dividend proposed DKK 0 (DKK 0) per share	0	0
	Retained earnings	(54,276)	(16,740)
		(54,276)	(16,740)

Balance Sheet Parent Company

Note	AT 30 APRIL	2015	2014
			DKK'000
	ASSETS		
8	Land and buildings	14,455	16,217
	Total tangible assets	14,455	16,217
4	Investment in group enterprises	63,306	114,614
9	Securities	105	105
	Total investments	63,411	114,719
	Total non-current assets	77,866	130,936
	Receivables in group enterprises	83,857	85,360
	Cash	0	0
	Total current assets	83,857	85,360
	TOTAL ASSETS	161,723	216,296
	LIABILITIES & EQUITY		
	Share capital	28,621	28,621
	Net revaluation according to the equity method	0	0
	Retained earnings	111,379	161,710
	Dividend proposed	0	0
10	**Total equity**	140,000	190,331
11	Deferred tax	12,192	12,580
	Provisions	12,192	12,580
12	Credit institutions	7,467	8,048
	Total non-current liabilities	7,467	8,048
12	Credit institutions	1,109	3,934
	Income taxes	(936)	(206)
	Other payables	1,891	1,609
	Total current liabilities	2,064	5,337
	Total liabilities	9,531	13,385
	TOTAL LIABILITIES AND EQUITY	161,723	216,296
13	Contingent liabilities and security		

Statement of equity movements

Parent Company

DKK'000

STATEMENT OF EQUITY MOVEMENTS, PARENT COMPANY

	Share capital	Net revaluation according to the equity method*	Retained earnings	Dividend proposed	Total
Equity at 1 May 2013	28,621	0	184,413	0	213,034
Cost of capital increase		0			0
Dividend distributed 2013/14			0	0	0
Dividend treasury shares			0		0
Profit/loss for the year		0	(16,740)		(16,740)
Reserve for exchange rate adjustments		0	(4,966)		(4,966)
Revaluation of hedging instruments		0	207		207
Sale of treasury shares		0	58		58
Share-based payments		0	(1,262)		(1,262)
Divided proposed			0	0	0
Equity at 30 April 2014	28,621	0	161,710	0	190,331
Dividend distributed 2014/15			0	0	0
Dividend treasury shares		0	0		0
Profit/loss for the year		0	(54,276)		(54,276)
Reserve for exchange rate adjustments		0	4,250		4,250
Revaluation of hedging instruments		0	(1,148)		(1,148)
Sale of treasury shares		0	0		0
Share-based payments		0	843		843
Dividend proposed				0	0
Equity at 30 April 2015	28,621	0	111,379	0	140,000

Notes, Parent Company

NOTE 1

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.

Master rights acquired to operate and start-up new BoConcept stores in a specific market are recognised in the balance sheet. Master rights are measured at cost price less accumulated amortisation. Master rights are amortised by the straight-line method during the amortisation period (maximum 10 years).

Notes, Parent Company

NOTES 2, 3

2 **COSTS (DKK'000)**

	2014/15	2013/14
Staff costs		
Reference is made to note 4 in the consolidated financial statement.		
No employees in the company neither this year nor last year.		
Share option schemes		
Reference is made to note 4 in the consolidated financial statement.		
Depreciation, amortisation, write-downs and impairment losses		
Depreciation of tangible assets	(1,762)	(1,750)
	(1,762)	(1,750)
Depreciation, amortisation, write-downs and impairment losses are recognised in the income statement as follows:		
Administrative expenses	(1,762)	(1,750)
Fees to auditors appointed at the annual general meeting		
Aggregate fee, PwC	(233)	(214)
Aggregate fee, other auditors	(2)	0
	(235)	(214)
That breaks down as follows:		
Audit PwC	(60)	(60)
Tax consultancy PwC	(157)	(154)
Other assurance engagements PwC	0	0
Other service PwC	(16)	0
Other audit-related service, other auditors	(2)	0
	(235)	(214)

3 **OTHER OPERATING INCOME (DKK'000)**

	2014/15	2013/14
Rent	4,500	4,500
Management fee	840	840
	5,340	5,340

Notes, Parent Company

NOTES 4, 5, 6

4 INVESTMENTS IN GROUP ENTERPRISES (DKK'000)

	2014/15	2013/14
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	(3,191)	46,113
Disposals, sale	0	0
Dividend from group enterprises	0	0
Profit/loss for the year after tax	(55,253)	(43,230)
Exchange adjustment of group enterprises	4,250	(4,966)
Revaluation of hedging instruments	(1,148)	207
Acquisition of shares in BoConcept Holding A/S	0	(53)
Additional value, acquisition/sale of minority interest	843	0
Cost of share options	0	(1,262)
Revaluations at year-end	(54,499)	(3,191)
Carrying amount at year-end	63,306	114,614

Name and registered office

	Ownership share	Share capital	Equity	Profit/loss from ordinary activities before tax	Profit/loss for the year
BoConcept A/S, Ølgod	100%	2,000	63,306	(62,390)	(55,253)

5 FINANCIAL INCOME (DKK'000)

	2014/15	2013/14
Interest income, group enterprises	2,659	2,332
Total financial income	2,659	2,332

6 FINANCIAL EXPENSES (DKK'000)

	2014/15	2013/14
Other interest expenses	(212)	(165)
Total financial expenses	(212)	(165)

Notes, Parent Company

NOTES 7, 8, 9

7 TAX FOR THE YEAR (DKK'000)

	2014/15	2013/14
Tax for the year breaks down as follows:		
Tax on profit/loss for the year	(1,712)	23,750
	(1,712)	23,750
Tax on profit/loss for the year may be subdivided as follows:		
Current tax	(1,051)	(1,007)
Adjustment previous years	(1,049)	0
Excess income tax set aside last year	0	1,875
Value adjustment of the retaxation balance due to the withdrawal from the international joint taxation scheme	0	22,281
Adjustment in deferred tax due to a percentage change	0	274
Deferred tax	388	327
	(1,712)	23,750
Tax on profit/loss		
Calculated 23.5/24.5% tax on profit/loss for the year before tax	(632)	(671)
Excess income tax set aside last year	0	1,875
Adjustment previous years	(1,049)	0
Value adjustment of the retaxation balance due to the withdrawal from the international joint taxation scheme	0	22,281
The tax effect of:		
Adjustment of deferred tax as a percentage	(26)	274
Non-taxable income and non-deductible expenses etc,	(5)	(9)
	(1,712)	23,750
Effective tax rate	(63.7)	866.8

8 TANGIBLE ASSETS (DKK'000)

	Land and buildings	
	2015	2014
Acquisition cost at the beginning of the year	69,503	69,322
Additions	0	181
Disposals	0	0
Acquisition cost at year-end	69,503	69,503
Depreciation at the beginning of the year	(53,286)	(51,536)
Depreciation for the year	(1,762)	(1,750)
Depreciation related to disposals	0	0
Depreciation at year-end	(55,048)	(53,286)
Carrying amount at year-end	14,455	16,217
Depreciated over a period of	10-25 yrs	10-25 yrs

9 INVESTMENTS (DKK'000)

	Securities	
	2015	2014
Cost at the beginning of the year/year-end	105	105

Notes, Parent Company

NOTES 10, 11, 12

10 SHARE CAPITAL (DKK'000)

	Number of shares		Nominal value	
	2015	2014	**2015**	2014
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

Each class A-share carries 10 votes whereas each class B-share carries 1 vote.
Please see note 4 in consolidated financial statement concerning allotted warrants.

	Number of shares		Nominal value		% of share capital	
Treasury shares	**2015**	2014	**2015**	2014	**2015**	2014
1 May	11,400	12,700	114	127	0.40	0.45
Acquisition	0	0	0	0	0.00	0.00
Sale	0	(1,300)	0	(13)	0.00	(0.05)
Treasury shares at 30 April	11,400	11,400	114	114	0.40	0.40

11 DEFERRED TAX (DKK'000)

	2015	2014
Deferred tax at the beginning of the year	12,580	35,461
Value adjustment due to the withdrawal from the international joint taxation scheme	0	(22,281)
Transferred to current tax	(388)	(274)
Deferred tax for the year	0	(326)
Internal transferred joint taxation charge	0	0
Deferred tax at year-end	12,192	12,580
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (asset)	0	0
Deferred tax (liability)	12,192	12,580
Net deferred tax at year-end	12,192	12,580
Deferred tax relates to:		
Tangible assets	12,192	1,956
Provisions	0	10,624
	12,192	12,580

Please see note 16 deferred tax in consolidated financial statements.

12 CREDIT INSTITUTIONS (DKK'000)

	2015	2014
Credit institutions, mortgage credit institutions and banks	8,048	8,627
Credit institutions, overdraft facility	528	3,355
	8,576	11,982
May be classified as follows:		
Due within year one	1,109	3,934
Due within one to five years	2,355	2,342
Due after five years	5,112	5,706
Total credit institutions	8,576	11,982

Notes, Parent Company

NOTES 13, 14

13 **CONTINGENT LIABILITIES AND SECURITY (DKK'000)**

	2015	2014
Land and buildings recognised at:	14,455	16,217
Are charged in addition to the mortgage debt of:	8,048	8,627
Subject to letter of indemnity of:	25,000	25,000
Mortgage of:	45,478	45,478

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

14 **RELATED PARTIES**

Reference is made to note 30 in the consolidated financial statements.