

Quarterly Report

1 May – 31 October 2015 / Announcement no. 11/2015

Financial Highlights

FROM BOCONCEPT HOLDING A/S'
QUARTERLY REPORT
FIRST HALF OF 2015/2016

BoConcept achieves record financial results for the first six months of 2015/2016, based on continued revenue increase, greater efficiency and a positive foreign exchange rate effect. The implementation of optimisation measures remains undiminished, and our forecast for the financial years 2015/2016 and 2016/2017 is upgraded.

Second quarter of 2015/2016 (1 August 2015 to 31 October 2015):

- Revenue was DKK 331.0 million, up by 13.0% on last year
- Same-store-sales (order intake) were up by 14.4%
- The gross profit ratio for the period was 41.8% compared with 39.5% last year
- EBIT was DKK 39.7 million, corresponding to an EBIT % of 12.0%
- After the opening of six new brand stores and the closure of five, the total number of stores in the chain was 256 stores at 31 October 2015

First six months of 2015/2016 (1 May 2015 to 31 October 2015):

- Revenue was DKK 637.9 million, up by 13.9% on last year
- Same-store-sales (order intake) were up by 15.4%
- The gross profit ratio was 41.0%, compared with 40.8% last year
- EBIT was DKK 69.1 million, corresponding to an EBIT % of 10.8%
- The balance sheet totalled DKK 533.3 million at 31 October 2015
- Cash flow before instalments on long-term debt was an inflow of DKK 73.6 million, compared with an outflow of DKK 38.9 million last year

Forecast for the financial years 2015/2016 and 2016/2017:

In the second quarter of the 2015/2016 financial year, revenue, profit and cash flows continued their highly satisfactory trend thanks to high sales momentum in the chain and targeted execution of the Horizon 16/17 initiatives. Despite revenue growth prospects for the second half of the 2015/2016 financial year being more modest, we make the following upward adjustment to our latest forecast:

- Revenue up by about 7-8% (previously: approx. 5%)
- EBIT in the region of 7-8% (previously: 5-6%)

Based on the trend in the first six months of 2015/2016, management is also pleased to report that the initiatives launched under Horizon 16/17 - the strategic optimisation of our business model, which was originally launched in 2014 - have been implemented faster and more efficiently than originally estimated. With this in mind, we upgrade our forecast operating margin (EBIT %) of 5-7% to 8-10% for the 2016/2017 financial year.

Financial Highlights & Key Figures

	Q2 2015/16	Q2 2014/15	Year to date 2015/16	Year to date 2014/15	1 May 2014- 30 April 2015
Income statement in DKK million					
Revenue	331,0	292,8	637,9	560,0	1.147,5
Gross profit	138,4	115,8	261,7	228,4	465,7
Profit before special items, financial income and expenses, depreciation and amortisation (EBITDA)	47,1	9,3	84,5	12,9	50,0
Profit/loss before special items (EBIT before special items)	39,7	0,7	69,1	(4,9)	15,1
Profit/loss from operating activities (EBIT)	39,7	(57,2)	69,1	(62,8)	(50,7)
Financing, net	(1,0)	0,3	(1,2)	(1,6)	(7,9)
Profit/loss before tax and minority interests	38,6	(56,9)	67,9	(64,4)	(58,6)
Profit/loss after tax	29,1	(46,4)	53,2	(52,5)	(57,1)
Balance sheet in DKK million					
Non-current assets			198,2	236,8	216,7
Current assets			335,1	324,9	309,5
Balance sheet total			533,3	561,7	526,2
Equity, end of period			211,1	158,9	157,3
Interest bearing debt			85,6	170,4	117,3
Cash flow in DKK million					
Cash flow from operating activities			67,9	(32,2)	18,6
Cash flow from investing activities			5,7	(6,7)	(13,2)
Cash of which invested in property, plant and equipment			(2,5)	(3,8)	(8,2)
Cash flow before financing activities			73,6	(38,9)	5,4
Financial ratios					
Operating margin (EBIT% before special items)	12,0	0,2	10,8	(0,9)	1,3
Return on invested capital (ROIC)			25,1	(1,5)	5,2
Cash flows in % of revenue			11,5	(6,9)	0,5
Net working capital in % of revenue			5,3	8,4	5,6
Earnings per share of DKK 10	10,2	(16,2)	18,6	(18,3)	(20,0)
Return on equity			36,7	(33,9)	(31,1)
Equity ratio, %			39,6	28,3	29,9
Book value per share of DKK 10			73,8	56,0	55,0
Average number of employees, full-time			556	627	612
Stock market ratios					
Dividend, DKK million			0,0	0,0	0,0
Market price			250,5	87,5	92,0
Share capital, DKK million			28,6	28,6	28,6
Price/book value			3,4	1,6	1,7
Price/earnings ratio			13,5	N/A	N/A

The interim financial statements, which have not been audited, cover the period from 1 May 2015 to 31 October 2015. The accounting policies applied in these interim financial statements are the same as those applied in the 2014/2015 financial report.

Financial Review

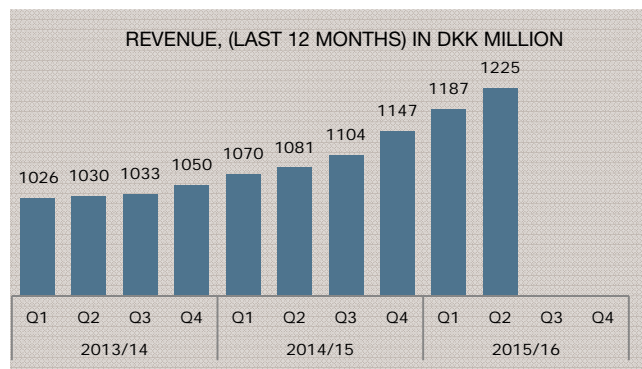
SIGNIFICANT REVENUE GROWTH SET TO CONTINUE

BoConcept Holding generated revenue of DKK 331.0 million in the second quarter of 2015/2016, compared with DKK 292.8 million in the same period last year. At 13.0% growth over the quarter, the level of activity continues to accelerate, primarily as a result of a 7.8% boost in brand store sales. To this must be added a positive contribution from rising foreign exchange rates, primarily the USD and GBP, to the tune of 5.4% growth over the quarter.

REVENUE TREND

(in DKK million)	Q2	Year to date
Actual 2014/15	292,8	560,0
Exchange rate effect	15,8	37,3
Net change, brand stores	22,9	40,0
Net change, studios	-0,5	0,6
Actual 2015/16	331,0	637,9

The continued revenue growth generated by the brand stores was brought about by the commercial viability of the collection, maintenance and greater awareness of the product range, general price increases and considerably improved delivery reliability.



Due to the improved delivery reliability, orders are executed faster, so that our order books were down by about DKK 19 million at the end of October compared with the same time last year.

In the first six months of 2015/2016 revenue increased by DKK 13.9% to reach DKK 637.9 million. Our brand stores achieved 7.1% revenue growth for the period, with a 6.7% foreign exchange rate change contribution.

GOOD MOMENTUM IN FOCUS MARKETS AND TWO-DIGIT GROWTH IN SAME-STORE-SALES

BoConcept maintained growth in all its core and growth markets in the second quarter of 2015/2016. In Europe especially, stable underlying market conditions boosted sales levels, despite a lower number of stores compared with the same period of last year. Unfortunately, after the end of the reporting period, the deeply troubling terrorist acts committed in France, among other countries, in November have contributed to increasing uncertainty, thus reducing the level of activity in the retail trade.

In France, market conditions have gradually stabilised during the second quarter of 2015/2016. Thanks to our strong market position and significantly improved store performance, revenue growth and same-store-sales remain high.

Germany experienced an upward trend in its level of activity during the second quarter of 2015/2016. On account of the higher number of stores and consistent adherence to the concept, revenues in that market continue to grow, and the momentum in the same-store-sales progress is being maintained, helped along by relatively stable market conditions and a sharp focus on increasing traffic to our stores.

In Japan, foreign exchange rate changes boosted revenue by 22% in the second quarter of 2015/2016. Leaving out the foreign exchange rate effect, revenues rose by 10%, and same-store-sales growth remains satisfactory.

BoConcept's growth markets are also enjoying modest progress. In the UK, revenue growth for the second quarter was affected by the disposal of our store in London at the beginning of the year and more sluggish underlying market trends than in previous quarters. However, in the first six months of the financial year, growth was driven by favourable market conditions and sound performance.

The USA saw significant revenue growth in the second quarter of 2015/2016. This is primarily due to a positive foreign exchange rate contribution and a change in inventory set-up, moving the invoicing time forward by about one month. Leaving these factors aside, revenue was on a par with last year, but with a lower number of stores in operation. In other words, same-store-sales are improving in a highly competitive market.

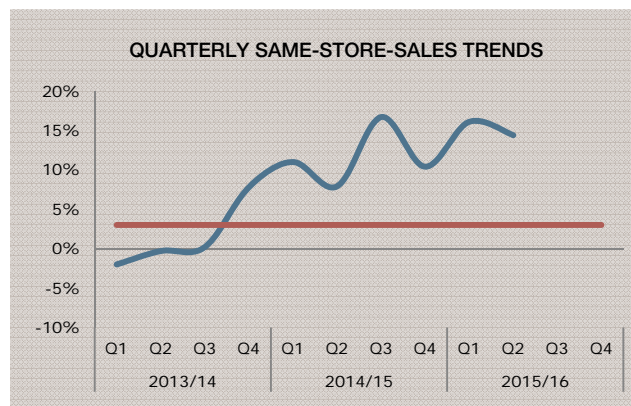
In China, revenue growth continued into the second quarter of 2015/2016; partly due to foreign exchange rate changes and partly due to a higher number of stores and an improvement in

same-store-sales. Nevertheless, the retail trade is suffering from a general slowdown in spending, reducing traffic to our stores.

In the Middle East and Africa, we have suffered a revenue decline compared with last year when the level of activity was boosted by store openings and the conclusion of major contracts.

BoConcept's same-store-sales rose by 14.4% in the second quarter of 2015/2016, compared with 7.9% last year. In the first six months of 2015/2016, revenues rose by 15.4% compared with 9.2% last year, making this the seventh consecutive quarter with growth in same-store-sales. The continued progress is driven by the adjustments in our business model that have been implemented with great success over the past few years.

Our concept and collection have undergone significant updating over the past 12-15 months, and this is still going on. The result is more calm, greater focus on sales and higher efficiency. Moving forward, BoConcept will continue to strengthen its concept by continually adding new items, thus ensuring a more ongoing introduction of the news.



REVENUE TRENDS IN THE REGIONS AND VARIOUS PRINCIPAL MARKETS

(in DKK million)	2015/16		2014/15		Index
	Q2	Q2	2015/16	2014/15	
Europe	180	170	106	343	110
France	47	41	114	88	123
Germany	44	35	126	82	117
UK	20	20	101	42	119
Middle East & Africa	11	17	67	22	78
North America	44	31	144	86	127
USA	38	26	143	72	125
Latin America	20	15	136	39	120
Asia	75	60	125	148	124
China	22	20	114	45	131
Japan	32	26	122	62	111
Total	331	293	113	638	114

Outstanding products are up front in dynamic collection strategy

BoConcept changed its launch strategy in 2015 so that in future new design items will be added at intervals shorter than the previous twice a year. The first two collection updates hit the stores in the autumn of 2015: Monaco, a new sofa in the medium price range, and Harvard, BoConcept's first recliner chair, which was introduced as a high-end item.

'Monaco by Dutch designer Frans Schrofer is quintessentially BoConcept in a number of ways: The sofa consists of modules adorned with unique oversized stitching, and it comes with innovatively designed ergonomic seating cushions with more comfort and arm and back rests in a beautiful hexagonal shape that brings something completely new to the BoConcept look. The size of the sofa has been optimised to fit into smaller spaces, making the Monaco range more versatile,' explains Collection & Visuals Director Claus Ditlev Jensen.

'Harvard is a completely new and sophisticated concept from BoConcept. For the first time ever, we are presenting a unique recliner that can be adjusted manually, electrically or using a built-in battery. Harvard is an excellent example of how BoConcept brings design, quality and functionality together in unique and fashionable products,' says Claus Ditlev Jensen.

The collection will be expanded again in early 2016 with the introduction of new products in several categories, and a number of BoConcept's bestsellers will be launched in new and improved versions backed by a strong marketing push.

FINALISING THE ADJUSTMENT OF THE CHAIN - NEW PLATFORM FOR EXPANSION

Five stores closed in the second quarter of 2015/2016. This number includes the last three of a total of 24 stores which in the course of our optimisation process were deemed not to have satisfactory long-term earnings potential. However, we will continue to close stores in our normalised course of business in future.

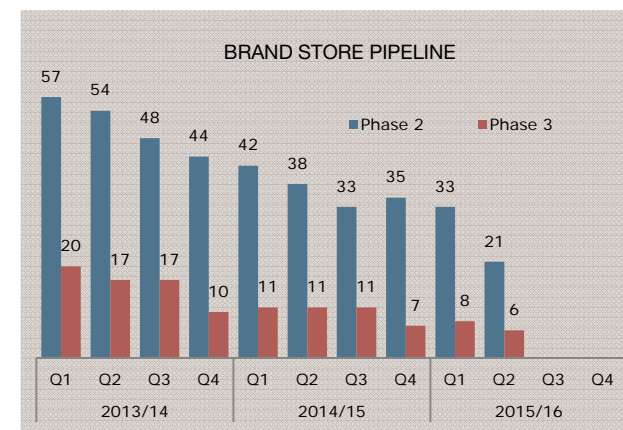
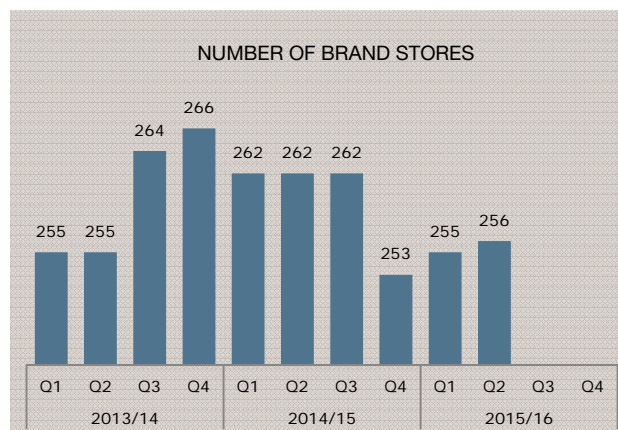
We opened a total of six stores in Germany, Brazil, South Korea and Hong Kong over the quarter. At the end of October 2015, the chain consisted of 256 stores. Following the disposal of one store and the closure of another in the second quarter of 2015/2016, 22 of these are the group's own stores.

Following the radical reconstruction of poorly performing stores in the chain in recent years, BoConcept is now focusing sharply on restoring and expanding its pipeline, in particular in our core and growth markets. Our Business Development department attends franchising fairs in France, launches promotional activities in the UK and sets up expansion plans for Japan and the USA to be launched in 2016.

Expansion will be on an updated evaluation basis and a newly developed recruitment and store opening model. To achieve this goal we will have to apply more stringent criteria than previously for moving projects into phase II, focusing on sound business plans. For instance, with the aim of ensuring greater and faster success when stores are opened, and to maintain and improve the standing of the chain, stricter requirements for personal profile and business case will have to be met.

At the end of October 2015, the group had six stores in the pipeline and 21 in phase II. By far the majority of new stores will be opened in our core and growth markets as planned.

	2015/16		No. of stores 31 October 2015			Pipeline 31 October 2015	
	Openings	Closures	Stores	Of this own stores	Studios	Phase II	Phase III
Europe	5	3	141	6	41	10	4
France	0	0	32	1	0	7	2
Germany	3	0	31	0	0	1	1
UK	0	1	13	0	2	1	0
Middle East & Africa	0	0	12	0	0	1	1
North America	0	1	25	1	0	1	0
USA	0	1	21	1	0	1	0
Latin America	2	1	24	0	0	4	0
Asia & Australia	3	2	54	15	1	5	1
Japan	0	0	16	7	0	0	0
China	0	1	21	8	0	4	0
Total	10	7	256	22	42	21	6



PROFIT DEVELOPMENT

The significant revenue growth generated by our brand stores in combination with an improvement in the gross profit ratio, efficiency enhancements and lower provisions for bad debts significantly increased operating profit in the second quarter of 2015/2016.

DKK'000	Q2 2014/15	Business model etc.	Net own stores	Currency	Special income and expenses	Q2 2015/16
Revenue	292,8	28,3	(5,9)	15,8		331,0
Production costs	(177,0)	(6,2)	0,0	(9,4)		(192,6)
Gross profit/loss	115,8	22,1	(5,9)	6,4	0,0	138,4
Capacity costs	(115,1)	7,7	10,0	(1,3)	0,0	(98,7)
EBIT before special items	0,7	29,8	4,1	5,1	0,0	39,7
as a % of revenue	0,2%	105,3%				12,0%
Special items	(57,9)	57,9	0,0	0,0	0,0	0,0
EBIT	(57,2)	87,7	4,1	5,1	0,0	39,7

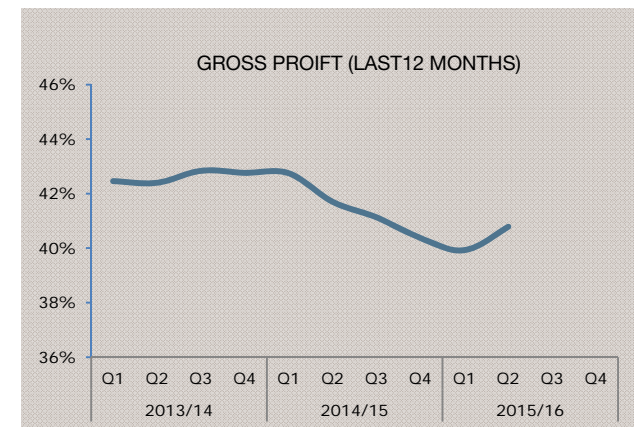
Thanks to growth, greater efficiency, lower provisions and a positive contribution from foreign exchange rate changes, BoConcept reports a significant improvement in EBIT of DKK 74 million (before special items) for the first six months of 2015/2016, compared with last year.

DKK'000	Year to date 2014/15	Business model etc.	Net own stores	Currency	Special income and expenses	Year to date 2015/16
Revenue	560,0	51,5	(10,9)	37,3		637,9
Production costs	(331,6)	(22,1)	0,0	(22,5)		(376,2)
Gross profit/loss	228,4	29,4	(10,9)	14,8	0,0	261,7
Capacity costs	(233,3)	22,2	18,3	(4,3)	4,5	(192,6)
EBIT before special items	(4,9)	51,6	7,4	10,5	4,5	69,1
as a % of revenue	(0,9%)	100,2%				10,8%
Special items	(57,9)	57,9	0,0	0,0	0,0	0,0
EBIT	(62,8)	109,5	7,4	10,5	4,5	69,1

Higher gross profit

BoConcept's gross profit ratio was 41.8% in the second quarter of 2015/2016, compared with 39.5% last year. A reduction in the number of own stores reduced the ratio by 1.2 percentage points. Our business model improves the ratio by 3.5 percentage points over the quarter. The sharp progress is a result of improved efficiency and a significantly lower degree of obsolescence of inventories compared with last year when we updated or replaced about 60% of our collection, which caused us to write down inventories. And last but not least, the gross profit ratio trend reflects the gradual introduction of higher prices for the September 2015 collection.

In the first six months of 2015/2016, the gross profit ratio rose by 0.2 percentage points to 41.0% compared with last year. As a result of our ongoing efficiency improvements and the full effect of the new pricing structure, we expect the gross profit ratio to remain on a par with the figure from the second quarter of 2015/2016 for the remainder of the financial year.



GROSS PROFIT TREND	Q2	Year to date
2014/15	39,5%	40,8%
Exchange rate effect	0,0%	-0,1%
Own stores, net	-1,2%	-1,2%
Business model and other	3,5%	1,5%
2015/16	41,8%	41,0%

Significant cut in capacity costs

Distribution costs were cut from DKK 97.2 million (33.2% of revenue) last year to DKK 78.7 million (23.8% of revenue) for the second quarter of 2015/2016. The main contributing factor was a more efficient distribution model and lower provisions for bad debts, totalling DKK 4.5 million in the second quarter of 2015/2016. In the first six months of 2015/2016, we made provisions for bad debts totalling DKK 5.2 million compared with DKK 16.4 million last year (excluding special provisions for bad debts in the first six months of 2014/2015 totalling DKK 38.2 million). Distribution costs were cut by a total of DKK 38.9 in the first six months of 2015/2016 compared with last year to reach DKK 155.6 million (24.4% of revenue).

Both in the second quarter and first six months of 2015/2016, administrative expenses rose moderately compared with last year, but overall they make up a smaller share of revenues (5.9% and 6.4% respectively this year compared with 6.2% and 7.0%) last year.

In the first six months of 2015/2016, the majority of other operating income was made up of the proceeds from the sale of BoConcept's own brand store in Tottenham Court Road in London (UK) to the local franchisee.

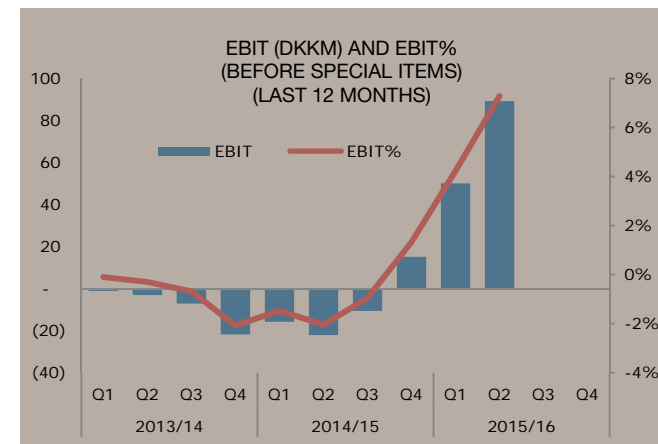
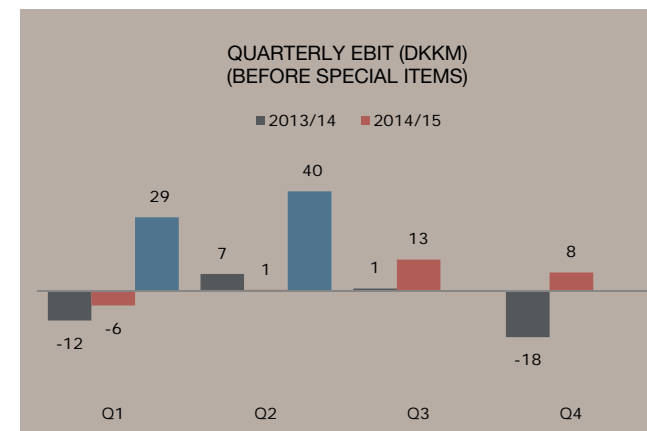
Record operating profit exceeds expectations

Accordingly, BoConcept's operating profit (EBIT) totalled DKK 39.7 million in the second quarter of 2015/2016 (EBIT % of 12.0%) compared with DKK 0.7 million (EBIT % of 0.2%) last year (before special items). For the first six months of 2015/2016, BoConcept produced an EBIT of DKK 69.1 million, corresponding to an EBIT % of 10.8%, compared with a negative EBIT of DKK 4.9 million during the same period of last year (before special items).

Special items relating to provisions and write-downs etc. were an expense item amounting to DKK 57.9 million in the first six months of 2014/2015. No special items were charged to the income statement in the first six months of 2015/2016.

In the first six months of 2015/2016, financial items turned out to be net expenses of DKK 1.2 million compared with DKK 1.6 million during the same period of last year, mainly due to a reduction in interest-bearing debt.

Accordingly, pre-tax profit amounted to DKK 67.9 million in the first six months of 2015/2016 compared with a loss of DKK 64.4 million in the same period of last year. Profit after tax of DKK 14.7 million for the reporting period was DKK 53.2 million, against last year's loss of DKK 52.5 million. The financial results for the first six months of the financial year are the best ever in the history of the group and exceed management's previous expectations.



BALANCE SHEET

Non-current assets unchanged from early May 2015

At 31 October 2015, assets totalled DKK 533.3 million, which is in line with the figure from the beginning of the financial year, but somewhat lower than last year's DKK 561.7 million. The change in non-current assets from last year's DKK 38.6 million is attributable to the implementation of Horizon 16/17 in autumn 2014.

Significant reduction in net working capital set to continue

Net working capital totalled DKK 65.5 million at 31 October 2015 or 5.3% of revenue, compared with DKK 91.2 million and 8.4% of revenue at the same time last year.

At the balance sheet date, inventories totalled DKK 138.2 million, compared with last year's figure of DKK 151.0 million, despite a significantly higher level of activity. The change represents a higher inventory turnover rate generally as a result of our improved ability to deliver and also the fact that we have reduced the number of own stores.

Receivables were DKK 129.9 million at the balance sheet date, against DKK 131.3 million last year. The fact that receivables remain unchanged despite higher revenues testifies to the improved standing of the chain as a result of a general improvement in performance. The number of debtor days was 36, compared with 48 last year and 43 for the full 2014/2015 financial year.

Trade payables totalled DKK 99.1 million, against DKK 108.6 million last year and DKK 122.2 million at the beginning of the financial year. Compared with last year, prepayments from customers were reduced by DKK 4.3 million.

Increased earnings boost equity ratio

Equity was DKK 211.2 million at balance sheet date, against DKK 157.5 million last year. At 31 October 2015, equity ratio was 39.6% compared with 28.3% last year, and 29.9% at the beginning of the 2015/2016 financial year. The increase, which brings equity ratio close to the group's long-term normalised target of 40-50%, is attributable to the significant improvement in the operating profit that we enjoyed in the first six months of 2015/2016.

Compared with the same time last year, BoConcept had reduced its interest-bearing debt by DKK 84.8 million to reach DKK 85.6 million at the end of October 2015/2016, and by DKK 31.7 million since the beginning of the financial year. Interest-bearing debt can be broken down into long-term debt of DKK 64.6 million and short-term debt of DKK 21.0 million. The group had DKK 54.3 million in

cash at the balance sheet date and unused credit facilities totalling DKK 93 million.

BoConcept expects to see additional improvements in its operating profit in the 2015/2016 financial year. As the group's future investment requirements are modest, management expects its equity ratio to continue to improve.

CASH FLOW

Strong operating profit considerably improves cash flow

Cash flow from operating activities was DKK 42.2 million in the second quarter of 2015/2016, resulting in DKK 67.9 million in total cash flows from operating activities in the first six months of 2015/2016. At the same time last year there were cash outflows from operating activities of DKK 32.2 million. The reasons for the significant improvement are a considerably improved operating profit and a reduction in funds tied up in net working capital.

In the first six months of 2015/2016, net investments were minus DKK 5.7 million, compared with a positive figure of DKK 6.7 million last year. Accordingly, cash flow before instalments on long term debt totalled a cash inflow of DKK 73.6 million, compared with a cash outflow of DKK 38.9 million last year.

EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Neither the supervisory board nor the executive board is aware of any events after 31 October 2015 which will materially affect the financial position of the group.

FORECAST FOR THE FINANCIAL YEARS 2015/16 & 2016/17

Following a historic earnings trend in the first six months of the year, the forecasts for the financial years 2015/2016 and 2016/2017 are upgraded

In the second quarter of the 2015/2016 financial year, revenue, profit and cash flows continued their highly satisfactory trend thanks to high sales momentum in the chain and targeted execution of the Horizon 16/17 initiatives.

Despite more modest growth prospects for the second half of 2015/2016, we make an upward adjustment to our most recent predictions for the 2015/2016 financial year, see Announcement No. 10/2015 of 23 September 2015, to revenue growth of 7-8% (previously: about 5%) and an operating margin (EBIT %) in the region of 7-8% (previously: 5-6%).

Based on the trend in the first six months of 2015/2016, management is also pleased to report that the initiatives launched

under Horizon 16/17 - the strategic optimisation of our business model, which was originally launched in 2014 - have been implemented faster and more efficiently than originally estimated. With this in mind, we upgrade our forecast operating margin (EBIT %) of 5-7% to 8-10% for the 2016/2017 financial year.

Our forecast is based on the premise that current market conditions and foreign exchange rates continue to prevail.

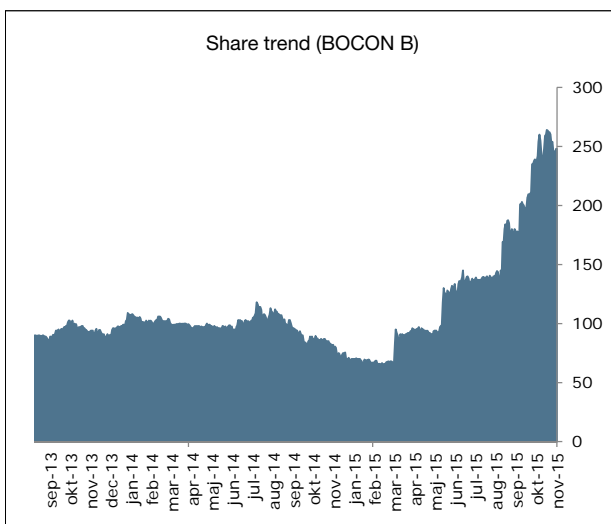
INVESTOR INFORMATION

Stock exchange announcements from 1 May to 31 October 2015:

27.05.2015	Update of forecast for the 2014/2015 financial year
30.06.2015	Announcement of 2014/2015 financial results
05.08.2015	Notice of general meeting of shareholders of BoConcept Holding A/S
14.08.2015	Notification of the acquisition or disposal of majority shareholdings
27.08.2015	Quarterly report Q1 - 2015/2016
31.08.2015	Revised articles of association
23.09.2015	Upward adjustment of forecast for the 2015/16 financial year

FINANCIAL CALENDAR

03.03.2016	First three quarters of 2015/2016
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Further information

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

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

Disclaimer

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

Statement by The Executive & Supervisory Boards

The supervisory and executive boards today considered and adopted the interim report of BoConcept Holding A/S for the period 1 May to 31 October 2015.

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

In our opinion, the interim report gives a true and fair view of the group's assets, liabilities and financial position at 31 October 2015 and of the results of the group's operations and cash flow for the period 1 May to 31 October 2015.

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

EXECUTIVE BOARD

Torben Paulin
CEO

Hans Barslund
CFO

Peter Raupach Linnet
COO

SUPERVISORY BOARD

Peter Thorsen
Chairman

Viggo Mølholm
Deputy chairman

Preben Bager

Henrik Burkal

Poul Brændgaard*

Tommy Graugaard*

Apart from the disclosures made in the interim report and the group's 2014/2015 annual report, there are no changes in the group's major risks and uncertainties. We consider the accounting policies applied expedient and the estimates adequate.

Furthermore, in our view, the overall presentation of the interim report gives a true and fair view of the company's financial affairs. In our opinion, the interim report gives a true and fair view of the group's assets, liabilities and financial position and of the results of the group's operations and cash flow for the reporting period.

Herning, 2 December 2015

* Employee representative



Income Statement & Total Income

Consolidated Accounts

	01.08.- 31.10. 2015/16 DKK'000	01.08.- 31.10. 2014/15 DKK'000	01.05 - 31.10. 2015/16 DKK'000	01.05 - 31.10. 2014/15 DKK'000
Revenue	330.962	292.820	637.862	560.011
Production costs	(192.570)	(177.005)	(376.156)	(331.629)
Gross profit	138.392	115.815	261.706	228.382
Distribution costs	(78.749)	(97.168)	(155.609)	(194.495)
Administrative expenses	(19.534)	(18.250)	(41.076)	(39.057)
Other operating income	859	274	5.392	260
Other operating expenses	(1.302)	0	(1.302)	0
Operating profit/loss before special items (EBIT before special items)	39.666	671	69.111	(4.910)
Special Items	0	(57.885)	0	(57.885)
Profit/loss from operating activities (EBIT)	39.666	(57.214)	69.111	(62.795)
Financial income	1.085	2.199	2.348	3.455
Financial expenses	(2.134)	(1.909)	(3.521)	(5.101)
Profit/loss before tax	38.617	(56.924)	67.938	(64.441)
Tax on profit/loss for the period	(9.521)	10.489	(14.708)	11.949
Profit/loss for the period	29.096	(46.435)	53.230	(52.492)
Broken down as follows:				
Shareholders of BoConcept Holding A/S	29.096	(46.080)	53.230	(52.035)
Minority interests	0	(355)	0	(457)
	29.096	(46.435)	53.230	(52.492)
Earnings per share	10,20	(16,29)	18,70	(18,41)
Diluted earnings per share	10,20	(16,29)	18,70	(18,41)
Total income				
Profit/loss for the period	29.096	(46.435)	53.230	(52.492)
Items that later can be recirculated to income statement:				
Revaluation of hedging instruments before tax	(278)	(592)	260	(1.266)
Settlement of hedging instruments	0	0	0	0
Foreign currency translation, foreign units	578	735	329	1.957
Tax on total income items	0	0	0	0
Total income for the period	29.396	(46.292)	53.819	(51.801)
Broken down as follows:				
Shareholders of BoConcept Holding A/S	29.396	(45.937)	53.819	(51.344)
Minority interests	0	(355)	0	(457)
Total income for the period	29.396	(46.292)	53.819	(51.801)

Balance Sheet

Consolidated Accounts

Q2	31.10.15 DKK'000	31.10.14 DKK'000	30.04.15 DKK'000
ASSETS			
Goodwill	14.336	11.398	12.574
Master rights	36.600	36.786	36.599
Software	20.587	19.825	24.570
Intangible assets in progress	2.010	6.628	798
Total intangible assets	73.533	74.637	74.541
Land and buildings	56.467	62.261	59.138
Leasehold improvements	7.181	19.388	14.605
Plant and machinery	15.213	15.048	16.776
Fixtures and operating equipment	4.071	6.444	5.484
Property, plant and equipment in progress	982	716	292
Total tangible assets	83.914	103.857	96.295
Deferred tax	9.882	21.032	12.424
Other financial assets	20.327	25.387	21.838
Deposits	10.584	11.910	11.631
Total other non-current assets	40.793	58.329	45.893
Total non-current assets	198.240	236.823	216.729
Inventories	138.195	151.006	151.252
Trade receivables	129.917	131.299	122.631
Other receivables	12.633	22.737	23.199
Cash and cash equivalents	54.334	19.883	12.416
Total current assets	335.079	324.925	309.498
TOTAL ASSETS	533.319	561.748	526.227

Balance Sheet

Consolidated Accounts

Q2	31.10.15 DKK'000	31.10.14 DKK'000	30.04.15 DKK'000
LIABILITIES AND EQUITY			
Share capital	28.621	28.621	28.621
Translation reserve	(1.795)	981	(2.036)
Hedging reserve	(1.776)	(7.552)	(2.124)
Retained earnings	186.096	136.862	132.866
Dividend proposed	0	0	0
Equity share, BoConcept Holding A/S shareholders	211.146	158.912	157.327
Minority interests	0	(1.367)	0
Total equity	211.146	157.545	157.327
Deferred tax	12.213	10.698	12.192
Other provisions	9.101	9.200	10.316
Mortgage credit institutions and banks	64.603	67.710	66.287
Total non-current liabilities	85.917	87.608	88.795
Employee bonds	0	1.299	0
Mortgage credit institutions and banks	21.004	101.426	51.001
Trade payables	99.073	108.627	122.197
Prepayment from customers	38.555	42.830	40.555
Income tax payable	7.987	0	0
Other payables	69.637	62.413	66.352
Total current liabilities	236.256	316.595	280.105
Total liabilities	322.173	404.203	368.900
TOTAL LIABILITIES AND EQUITY	533.319	561.748	526.227

Statement of Equity Movements

Consolidated Accounts

EQUITY						
Q2	Share capital	Hedging reserve	Trans-lation reserve	Retained earnings	Dividend proposed	Total
Equity at 1 May 2014	28.621	(976)	(6.286)	188.897	0	210.256
Acquired minority interest				0		0
Sale of treasury shares					0	0
Distributed dividend					0	0
Dividend proposed					0	0
Dividend treasury shares					0	0
Total transactions with shareholders	28.621	(976)	(6.286)	188.897	0	210.256
Total income for the period		1.957	(1.266)	(52.035)		(51.344)
Equity at 31 October 2014	28.621	981	(7.552)	136.862	0	158.912
Equity at 1 May 2015	28.621	(2.124)	(2.036)	132.866	0	157.327
Sale of treasury shares				0		0
Distributed dividend					0	0
Dividend proposed					0	0
Dividend treasury shares					0	0
Total transactions with shareholders	28.621	(2.124)	(2.036)	132.866	0	157.327
Total income for the period		329	260	53.230		53.819
Equity at 31 October 2015	28.621	(1.795)	(1.776)	186.096	0	211.146

Cash Flow Statement

Consolidated Accounts

CASH FLOW STATEMENT (DKK'000)	01.05-31.10.	01.05-31.10.
	2015/16	2014/15
Revenue	639.020	560.011
Operating expenses	(574.143)	(622.806)
Adjustment for non-cash items	22.023	89.928
Change in net working capital	(17.339)	(56.595)
Cash flow from operating activities before financial items	69.561	(29.462)
Interest income etc.	2.348	3.455
Interest paid	(3.522)	(5.286)
Income taxes paid	(477)	(914)
Cash flow from operating activities	67.910	(32.207)
Acquisition of intangible assets	(2.629)	(2.432)
Sale of intangible assets	0	0
Acquisition of tangible assets	(2.452)	(3.819)
Sale of tangible assets	2	35
Acquisition of financial assets	0	(839)
Sale of financial assets	6.533	367
Acquisition of companies	0	0
Sale of companies	4.234	0
Cash flow for investing activities	5.688	(6.688)
Cash flow before financing activities	73.598	(38.895)
Instalments on long-term debt	(6.128)	(6.461)
Raising of long-term loans	0	2.606
Shareholders:		
Capital increase	0	0
Sale of treasury shares	0	0
Purchase of treasury shares	0	0
Dividend paid	0	0
Cash flow from financing activities	(6.128)	(3.855)
Cash inflow/outflow for the period	67.470	(42.750)
Cash and cash equivalents less short-term bank debt, beginning of the period	(27.889)	(31.712)
Revaluation of cash and cash equivalents	1	185
Cash and cash equivalents, end of period	39.582	(74.277)
The amount may be broken down as follows:		
Cash without restrictions	54.334	19.883
Short-term debt to credit institutions	(14.752)	(94.160)
	39.582	(74.277)

Notes

Consolidated Accounts

1. Accounting policies applied

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

Except for the effect of new IAS/IFRSs implemented in the reporting period, accounting policies applied remain unchanged compared to the annual report for 2014/2015, to which reference is made.

The annual report for 2014/2015 contains a detailed description of the accounting policies applied.

New IAS/IFRS implemented in the reporting period

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

For further information on the above-mentioned standards and interpretations, please see page 65 in the annual report for 2014/2015.

2. Estimates and judgements

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

Material estimates made by the management by applying the group's accounting policies and the estimated insecurity involved are the same as the ones used in connection with the preparation of the annual report at 30 April 2015.

3. Segments

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

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

4. Tax on profit for the year

The group's effective tax rate for the reporting period in 2015/2016 is 17%. The effective tax rate for the reporting period in 2014/2015 was 28%. The effective tax rate of 17% is made up of the 25% tax on the Danish profit for the reporting period plus taxes recognised abroad, which, due to the right to carry forward previously unrecognised losses for setoff against profits, will only be recognised in the amount corresponding to taxes paid.

5. Related parties

BoConcept's related parties have not changed compared to the disclosures of the annual report for 2014/2015, to which reference is made. In the reporting period no extraordinary transactions were concluded with related partners. No extraordinary transactions were concluded with relating partners in the same period last year either.

Notes

Consolidated Accounts

6. Contingent liabilities

	31.10.15	31.10.14
Contingent liabilities		
Sub-lease agreements concerning store premises	10.036	10.294
Contingent liabilities and security		
Land and buildings recognised at:		
Production, plant and machinery recognised at:	56.467	62.261
Are charged in addition to the mortgage debt of:	6.143	7.110
	50.764	52.921
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	36.786
Plant, operating equipment and machinery	7.640	11.627
Inventory level	108.009	111.791
Receivables and Location Involvement	126.670	138.005
Total	278.919	298.209
Registered value of company security	125.000	25.000
Non-terminable operating leases are as follows:		
0-1 year	30.644	39.676
1-5 years	46.451	73.566
>5 years	5.456	31.239
	82.551	144.481

The group leases store premises and cars under operating leases. The leasing period is usually between three and ten years with the possibility of prolongation. BoConcept A/S has provided guarantee for franchisees' landlords for rent of DKK 36.6 million (last year DKK 3.6 million). BoConcept A/S has provided guarantee for bank loans raised by franchisees of DKK 11.7 million (last year DKK 7.9 million).



Denne kvartalsrapport er udarbejdet på dansk og engelsk.
I tvivlstilfælde er den danske udgave gældende.

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