

Quarterly Report

1 May 2015 – 31 January 2016 / Announcement No. 2/2016

Financial Highlights

FROM BOCONCEPT HOLDING A/S'
QUARTERLY REPORT

Q3 - 2015/2016

Improved performance in franchise stores, improved efficiency and a positive foreign exchange rate effect ensure continued progress for BoConcept in the third quarter of 2015/2016. We are making another upward adjustment to expected earnings in the 2015/2016 financial year, while continuing to focus on optimisation and growth.

Third quarter of 2015/2016 (1 November 2015 to 31 January 2016):

- Revenue was DKK 289.4 million, up by 4.4% on last year
- Same-store-sales (order intake) were up by 11.4%
- The gross margin ratio was 43.4%, compared with 41.7% last year
- EBIT amounted to DKK 32.3 million, corresponding to an EBIT% of 11.1%, compared with last year's EBIT% before special items of 4.5%
- After the opening of four new brand stores and the closure of five, the total number of stores in the chain was 255 at 31 January 2016

First nine months of 2015/2016 (1 May 2015 to 31 January 2016):

- Revenue was DKK 927.2 million, up by 10.8% on last year
- Same-store-sales (order intake) were up by 14.0%
- The gross margin ratio was 41.8%, compared with 41.1% last year
- EBIT was DKK 101.4 million, corresponding to an EBIT% of 10.9%
- The balance sheet totalled DKK 555.1 million at 31 January 2016
- Cash flow before instalments on long-term debt was an inflow of DKK 110.2 million, compared with an outflow of DKK 19.9 million last year

Forecast for the 2015/2016 financial year:

As a result of increased revenues, generally improved performance in the chain and BoConcept's efficiency improvements, the favourable earnings and cash flow trends continued in the third quarter of the 2015/2016 financial year. Against this background, we make the following upward adjustment of our forecast for the 2015/2016 financial year:

- Revenue growth at about 8% (previously: approx. 7-8%)
- EBIT% in the region of 9% (previously: 7-8%)

Financial Highlights & Key Figures

	Q3 2015/16	Q3 2014/15	Year to date 2015/16	Year to date 2014/15	1 May 2014- 30 April 2015
Income statement in DKK million					
Revenue	289,4	277,1	927,2	837,1	1.147,5
Gross profit	125,5	115,5	387,2	343,8	465,7
Profit before special items, financial income and expenses, depreciation and amortisation (EBITDA)	39,3	21,1	123,9	34,0	50,0
Profit/loss before special items (EBIT before special items)	32,3	12,5	101,4	7,6	15,1
Profit/loss from operating activities (EBIT)	32,3	6,5	101,4	(56,3)	(50,7)
Financing, net	0,9	(3,4)	(0,3)	(5,0)	(7,9)
Profit/loss before tax and minority interests	33,2	3,2	101,1	(61,3)	(58,6)
Profit/loss after tax	25,7	0,1	78,9	(52,4)	(57,1)
Balance sheet in DKK million					
Non-current assets			190,3	232,6	216,7
Current assets			364,7	320,7	309,5
Balance sheet total			555,1	553,3	526,2
Equity, end of period			236,5	160,5	157,3
Interest bearing debt			84,1	145,5	117,3
Cash flow in DKK million					
Cash flow from operating activities			104,8	(12,1)	18,6
Cash flow from investing activities			5,4	(7,8)	(13,2)
Cash of which invested in property, plant and equipment			(3,1)	(3,4)	(8,2)
Cash flow before financing activities			110,2	(19,9)	5,4
Financial ratios					
Operating margin (EBIT% before special items)	11,1	4,5	10,9	0,9	1,3
Return on invested capital (ROIC)			37,6	(2,1)	5,2
Cash flows in % of revenue			11,9	(2,4)	0,5
Net working capital in % of revenue			5,9	7,1	5,6
Earnings per share of DKK 10	9,0	0,0	27,6	(18,3)	(20,0)
Return on equity			50,9	(32,1)	(31,1)
Equity ratio, %			42,6	29,0	29,9
Book value per share of DKK 10			82,7	56,0	55,0
Average number of employees, full-time			542	634	612
Stock market ratios					
Dividend, DKK million			0,0	0,0	0,0
Market price			433,5	67,0	92,0
Share capital, DKK million			28,6	28,6	28,6
Price/book value			5,2	1,6	1,7
Price/earnings ratio			15,7	N/A	N/A

The interim financial statements, which have not been audited, cover the period from 1 May 2015 to 31 January 2016. The accounting policies applied in the interim financial statements are the same as those applied in the 2014/2015 financial report.

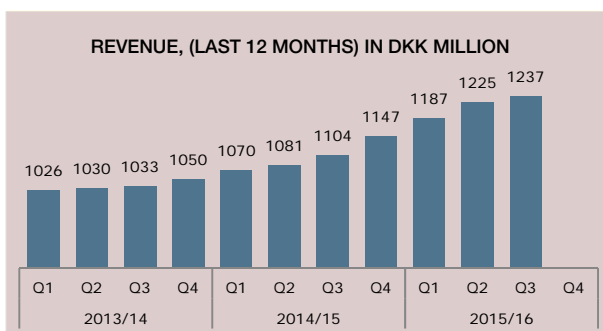
Financial Review

HIGH ACTIVITY LEVEL MAINTAINED

BoConcept generated revenues totalling DKK 289.4 million in the third quarter of the 2015/2016 financial year, the highest revenue ever generated by BoConcept in any third quarter. BoConcept achieved 4.4% growth on the same quarter last year primarily as a result of the positive foreign exchange rate effect from the decline in the DKK relative to the USD, GBP and JPY rates, boosting revenue by 4.6%.

REVENUE TREND		
(in DKK million)	Q3	Year to date
Actual 2014/15	277,1	837,1
Exchange rate effect	12,7	50,0
Net change, brand stores	1,7	41,7
Net change, studios	-2,1	-1,6
Actual 2015/16	289,4	927,2

Brand store revenue rose by 0.6% over the quarter. The lower rate of growth is attributable in part to a change in warehouse set-up in the USA, which resulted in the carry-over of some of the revenues from the third quarter to the second quarter of 2015/2016, and in part to a slight delay in the delivery of upholstered furniture in particular in the third quarter of 2015/2016, which was attributable to the reorganisation of the production processes at one of our suppliers. Furthermore, last year's revenues were boosted by the carry-over of some of the second quarter revenues to the third quarter of 2014/2015 as a result of delivery performance challenges in the first six months of 2014/2015.



BoConcept managed to achieve a 10.8% increase in revenue to reach DKK 927.2 million in the first nine months of 2015/2016, which is another revenue record for BoConcept for the period. The growth in brand store revenues in terms of DKK was 5.0%, while the foreign exchange rate effect contributed to 6.0% revenue growth in the first nine months of 2015/2016.

SOLID PERFORMANCE IN FOCUS MARKETS ENSURES EIGHTH SUCCESSIVE QUARTER OF POSITIVE SAME-STORE-SALES

All BoConcept's core and growth markets generated positive same-store-sales in the third quarter of 2015/2016, and they are thus continuing their solid performance of the past twelve months. In our core markets, in particular, our stores are enjoying stronger momentum, driven by strong market positions and a massive promotional effort.

In France, our stores enjoyed the best third quarter ever with high revenues and an excellent same-store-sales trend. Underlying market conditions are sound, and our stores are prioritising their promotional effort.

Germany continued to enjoy progress in the third quarter of 2015/2016. Both new and old stores adhere to the consistent implementation of our concept, thereby consolidating our market position and increasing same-store-sales.

In Japan, underlying market conditions are challenging, but BoConcept's stores are continuing their sound and stable performance. Foreign exchange rates continue to have an impact on revenue denominated in DKK, but less than in previous quarters.

Developments are at a slower rate in our growth markets, but still favourable.

In the UK, the revenue for the quarter was affected by the sale of a store in London, which reduced BoConcept's share of the revenue this year compared to previous years. Market conditions are back to normal compared with the significant growth experienced in the past, but same-store-sales are positive, and the order books are solid to the fourth quarter of 2015/2016.

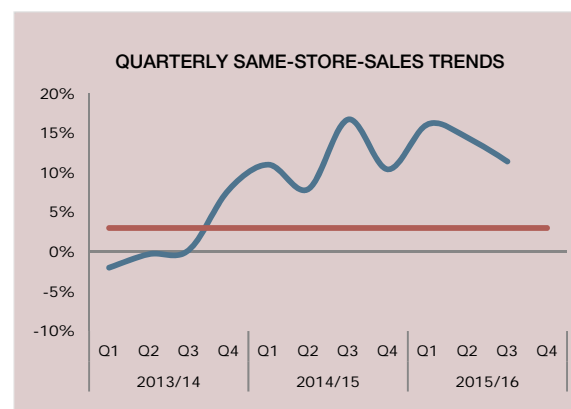
In the USA, revenues fell in the third quarter of 2015/2016, partly due to the reorganisation of our warehouse set-up and partly as a result of a reduction in the number of stores. Despite a general improvement in the health of the US franchise stores, refranchising measures and new store openings are needed to realise the growth potential in that market.

China continued to enjoy progress in the third quarter of 2015/2016, increasing revenues by 27% compared with last year. As a result of more stores and targeted concept execution and support, our existing chain of stores experienced growth that is higher than normal in the market generally.

The Middle East and Africa enjoyed modest progress in the third quarter of 2015/2016, while a comparison between the first nine months of 2015/2016 and last year would have to take into account the effect of fewer store openings and fewer B-t-B orders.

BoConcept achieved 11.4% growth in same-store-sales in total in the third quarter of 2015/2016, compared with 16.7% last year, while same-store-sales increased overall by 14.0% in the first nine months of 2015/2016 compared with 11.9% during the same period last year.

For 21 months BoConcept has now realised positive same-store-sales figures.



The fact that the favourable trend has been in evidence since September 2014 clearly indicates that the adjustment of the collection and the introduction of a dynamic launch strategy, with elements being added and phased out at regular intervals, has led to greater interest in and awareness of BoConcept's brand and concept.

Leading on from the introduction of a new armchair and sofa at the end of 2015, BoConcept will be launching a brand new wall system, a new dining table concept with a new glass table and a completely new version of our best-selling Adelaide chair in all white in February and March 2016. At the same time, we are boosting the promotion of BoConcept with the release of a new commercial featuring Danish actor Mads Mikkelsen, with whom BoConcept has had successful collaboration for the past 18 months.

REVENUE TRENDS IN THE REGIONS AND VARIOUS PRINCIPAL MARKETS

	2015/16	2014/15		2015/16	2014/15	
(in DKK million)	Q3	Q3	Index	YTD	YTD	Index
Europe	162	163	99	504	475	106
France	47	43	108	135	115	117
Germany	39	34	114	121	104	116
UK	15	17	88	57	53	109
Middle East & Africa	10	8	132	33	36	90
North America	27	32	84	113	100	113
USA	24	28	83	96	86	111
Latin America	15	14	105	54	46	115
Asia	75	60	126	224	180	125
China	26	21	127	71	55	129
Japan	27	24	114	89	80	112
Total	289	277	104	927	837	111

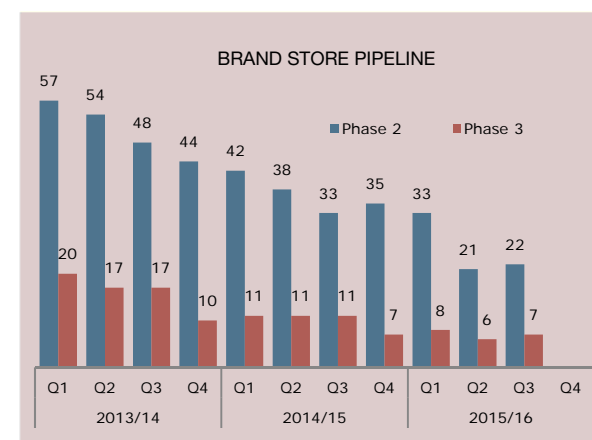
GRADUAL EXPANSION OF PIPELINE WILL RESULT IN NET ADDITION TO FRANCHISE CHAIN

We opened four new brand stores in the third quarter of 2015/2016: in France, the USA, Nigeria and Vietnam, and closed five stores, three of which were in the USA. The net expansion of the chain in the year to date is thus two stores, and the total number of brand stores is 255, 22 of which are our own stores.

Our Business Development department is still engaged in turning around and re-franchising distressed stores. As same-store-sales increase and the health of the chain is improving, the department will increasingly employ its resources to build a pipeline of new stores. We now have higher demands than previously for the business plans that potential franchisees present in the course of applying. With this in mind, the pipeline will not be built at the fast pace of two or three years ago, but instead new potential franchisees with a more thorough business base for successful implementation will be added regularly.

We currently have seven stores in phase III of the pipeline, which will be opened over the next few months, including several stores in our core markets, while our growth markets experience more modest growth. In addition, expansion activities will concentrate on attendance at franchise fairs in London, Paris, Milan and the USA, which we believe will contribute to growth in the number of stores in the next financial year.

	2015/16		No. of stores 31 January 2016			Pipeline 31 January 2016	
	Openings	Closures	Stores	Of this own stores	Studios	Phase II	Phase III
Europe	6	3	141	6	41	10	3
France	1	0	33	1	0	7	1
Germany	3	0	31	0	0	1	1
UK	0	1	13	0	2	1	0
Middle East & Africa	1	1	13	0	0	1	0
North America	1	4	23	1	0	1	0
USA	1	4	19	1	0	1	0
Latin America	2	2	23	0	0	4	0
Asia & Australia	4	2	55	15	1	5	4
Japan	0	0	16	7	0	1	0
China	0	1	21	8	0	2	3
Total	14	12	255	22	42	21	7



PROFIT DEVELOPMENT

An improvement in gross profit, fewer own stores and lower provisions for bad debts, as well as a positive foreign exchange rate effect, ensure a significant improvement in profit in the third quarter of 2015/2016 and a considerably improved operating margin compared with the same quarter last year.

(in DKK million)	Q3 2014/15	Business model etc.	Net own stores	Currency	Special income and expenses	Q3 2015/16
Revenue	277,1	2,2	(2,7)	12,7		289,3
Productions costs	(161,7)	2,5	0,0	(4,6)		(163,8)
Gross profit/loss	115,4	4,7	(2,7)	8,1	0,0	125,5
Capacity costs	(102,9)	2,8	8,6	(1,7)	0,0	(93,2)
EBIT before special items	12,5	7,5	5,9	6,4	0,0	32,3
as a % of revenue	4,5%	340,9%				11,2%
Special items	(6,0)	6,0	0,0	0,0	0,0	0,0
EBIT	6,5	13,5	5,9	6,4	0,0	32,3

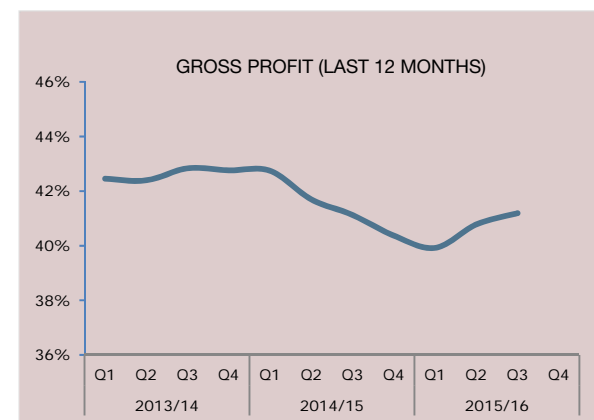
In the first nine months of 2015/2016 BoConcept generated operating profit of DKK 101.4 million. The DKK 93.8 million improvement on the same period last year is primarily attributable to a more effective business model where growth means higher profit and where fewer own stores and a positive foreign exchange rate effect also make a positive contribution to earnings.

(in DKK million)	Year-to-date 2014/15	Business model etc.	Net own stores	Currency	Special income and expenses	Year-to-date 2015/16
Revenue	837,1	53,7	(13,6)	50,0		927,2
Productions costs	(493,3)	(19,6)	0,0	(27,1)		(540,0)
Gross profit/loss	343,8	34,1	(13,6)	22,9	0,0	387,2
Capacity costs	(336,2)	25,0	26,9	(6,0)	4,5	(285,8)
EBIT before special items	7,6	59,1	13,3	16,9	4,5	101,4
as a % of revenue	0,9%	110,1%				10,9%
Special items	(63,9)	63,9	0,0	0,0	0,0	0,0
EBIT	(56,3)	123,0	13,3	16,9	4,5	101,4

Continued improvement in gross profit ratio

BoConcept's gross profit ratio rose to 43.4% in the third quarter of 2015/2016, compared with 41.7% last year. The reduction in own stores from 28 last year to 22 this year means a decline in the gross profit ratio of 0.6 percentage points, while the improved version of our business model, primarily with lower inventory write-downs and gradual price increases in September 2015, increases the gross profit ratio by 1.3 percentage points for the quarter.

In the first nine months of 2015/2016 the gross profit ratio was 41.8% – a slight improvement of 0.7 percentage points on the same period last year. This trend primarily reflects ongoing efficiency improvements and our new pricing structure, with foreign exchange also making a positive contribution to the gross profit ratio.



GROSS PROFIT TREND	Q3	Year-to-date
2014/15	41,7%	41,1%
Exchange rate effect	1,0%	0,3%
Net, own stores	-0,6%	-1,0%
Business model etc.	1,3%	1,4%
2015/16	43,4%	41,8%

Lower provisions and number of own stores combined with greater efficiency are leading to considerably lower capacity costs

BoConcept's distribution costs were DKK 71.5 million in the third quarter of 2015/2016 (24.7% of revenue) compared with DKK 83.5 million last year (30.2% of revenue). Apart from greater efficiency in the distribution function, the reduction is the result of a lower number of own stores and a net reversal of provisions for bad debts amounting to DKK 0.2 million compared with an expense item of DKK 2.6 million last year. In the first nine months of 2015/2016, we made provisions for bad debts totalling DKK 5.0 million compared with DKK 18.4 million last year (excluding special provisions for bad debts in the first nine months of 2014/2015 totalling DKK 38.2 million). In the first nine months of 2015/2016, distribution costs were reduced by a total of DKK 51.0 million in comparison with last year to reach DKK 227.1 million or 24.5% of revenue (33.2% of revenue last year).

Administrative expenses rose moderately in the third quarter of 2015/2016 as a result of the reclassification of individual cost items that used to be included in distribution costs. The change is also reflected in a slight increase in administrative expenses for the first nine months of 2015/2016, the cost item's share of revenues falling from 7.2% last year to 6.9% this year.

In the first nine months of 2015/2016, operating income was largely 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.

In total, BoConcept reduced capacity costs' share of revenue from 40.4% to 31.3% from the first nine months of 2014/2015 to the first nine months of 2015/2016.

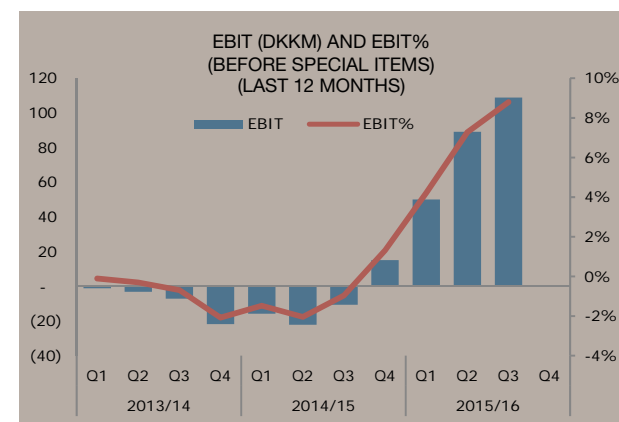
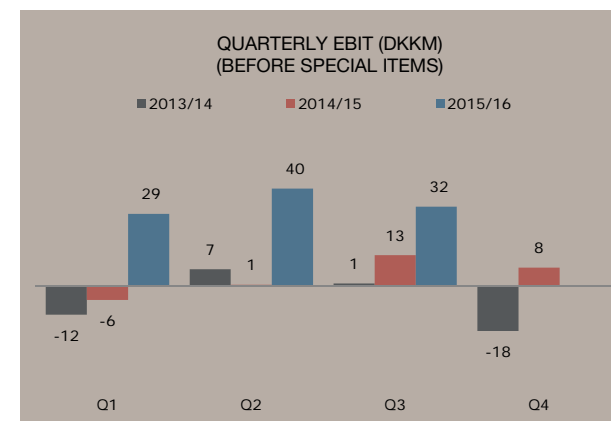
Operating profit exceeds expectations

Accordingly, BoConcept's operating profit (EBIT) totalled DKK 32.3 million in the third quarter of 2015/2016 (EBIT% of 11.2%) compared with DKK 12.5 million (EBIT% of 4.5%) last year (before special items). For the first nine months of 2015/2016, BoConcept produced an EBIT of DKK 101.4 million, corresponding to an EBIT percentage of 10.9%, compared with DKK 7.6 million during the same period of last year (before special items), which is better than anticipated.

Special items relating to provisions and write-downs etc. were an expense item amounting to DKK 63.9 million in the first nine months of 2014/2015. No special items were charged to the income statement in the first nine months of 2015/2016.

Financial items resulted in net expenses of DKK 0.3 million in the first nine months of the year, compared with DKK 5.0 million for the same period last year. The main reasons are the reduction in interest-bearing debt and the foreign exchange rate effect from the declining DKK against the USD, GBP and JPY on the balance sheet total.

Accordingly, pre-tax profit amounted to DKK 101.1 million in the first nine months of 2015/2016 compared with a loss of DKK 61.3 million in the same period of last year. Profit after tax, corresponding to DKK 22.2 million, was DKK 78.9 million, against last year's loss of DKK 52.3 million. The financial results for the period set a record, which the management considers highly satisfactory.



BALANCE SHEET

Lower number of own stores reduced non-current assets

Total assets stood at DKK 555.1 million at 31 January 2016, which is on a par with the same time last year and approximately DKK 28.9 million more than at the beginning of the financial year. Compared with the same time last year, non-current assets were reduced by DKK 42.2 million due to lower investment in own stores and a reduction in the tax asset.

Less capital tied up in net working capital

Net working capital totalled DKK 61.8 million at 31 January 2016 or 5.9% of revenue, compared with DKK 77.8 million and 7.1% of revenue at the same time last year.

At the balance sheet date, inventories totalled DKK 137.0 million, compared with last year's figure of DKK 157.1 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 stores. BoConcept will build up its inventories in the fourth quarter of 2015/2016 to ensure fast delivery during the summer of 2016.

Receivables amounted to DKK 125.3 million at the balance sheet date, which is on a par with last year. The number of debtor days was 39, compared with 41 last year and 43 for the full 2014/2015 financial year.

Trade payables totalled DKK 88.5 million, against DKK 115.3 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 8.3 million.

Equity ratio further improved and now on a par with long-term target

Equity was DKK 236.5 million at the balance sheet date, against DKK 160.5 million last year. At 31 January 2016, equity ratio was 42.6% compared with 29.0% last year, and 29.9% at the beginning of the 2015/2016 financial year. Following a significant improvement in profit this financial year, the equity ratio is now in line with the group's long-term target of an equity ratio of between 40 and 50%. With the forecast operating profit in the fourth quarter of 2015/2016 and limited investment needs, the equity ratio will be consolidated further ahead of the next financial year.

Interest-bearing debt was DKK 84.1 million at 31 January 2016, down by DKK 61.4 million from the corresponding period of last year and down by DKK 33.2 million from the beginning of last year. Outstanding liabilities can be broken down into non-current liabilities of DKK 67.3 million and current liabilities of DKK 16.8 million. Cash was DKK 89.5 million at the balance sheet date, and

the group has at its disposal unused credit facilities totalling DKK 94.7 million.

CASH FLOW

Strong operating profit considerably improves cash flow

BoConcept's operating cash flow for the third quarter of 2015/2016 was a cash inflow of DKK 36.9 million, compared with a cash inflow of DKK 20.1 million last year. In the first nine months of 2015/2016 operating cash flow was DKK 104.8 million, which is a DKK 116.9 million improvement on the same period last year. The main reason for the significant improvement is the improvement in operating profit and lower net working capital.

Net investments for the first nine months were negative in the amount of DKK 5.4 million as a result of the sale of stores and a reduction in financial assets. Cash flows before instalments on long-term debt are thus DKK 110.2 million for the first nine months of 2015/2016, an improvement of DKK 130.1 million on the same period 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 January 2016 which will materially affect the financial position of the group.

FORECAST FOR THE 2015/2016 FINANCIAL YEAR

As a result of increased revenues, generally improved performance in the chain and BoConcept's efficiency improvements, the favourable earnings and cash flow trends continued in the third quarter of the 2015/2016 financial year.

Against this background, we are making an upward adjustment to our most recent forecast for the 2015/2016 financial year, see Announcement No. 11/2015 of 2 December 2015, to revenue growth of 8% (previously: 7-8%) and an operating margin (EBIT%) in the region of 9% (previously: in the region of 7-8%).

Our forecast is based on the premise that market conditions and foreign exchange rates remain unchanged.

MUST-HAVE STUDIOS have a significant effect on same-store-sales

In September 2015, BoConcept launched a new tool to promote store sales, seven MUST-HAVE STUDIOS, as part of its new collection, branding and marketing strategy.

The seven MUST-HAVE STUDIOS include the key items among the average of 18 to 20 style studios or arrangements - depending on size - that are on display in BoConcept Brand Stores. The items to go on display in the studios are put together and coordinated centrally by BoConcept's Collection & Visuals team and are taken from the best-selling product configurations in each category of the collection. They thus represent the articles that are already the chain's best sellers. The effect has been phenomenal in the first six months:

'Our MUST-HAVE STUDIOS are a fully commercial branding platform for increasing sales per square metre in our stores. It has proved to be an excellent traffic generator and an exceedingly powerful sales tool, which is one of the main reasons why we have been able to increase our same-store-sales month after month. We have doubled the sale of the best sellers on display in our MUST-HAVE STUDIOS, which is excellent,' says Claus Ditlev Jensen, Collection & Visuals Director.

The items specifically selected for our MUST-HAVE STUDIOS are updated twice a year, based on sales data and new introductions to our collection. The next update will take place in September 2016, at which time we will add another two MUST-HAVE STUDIOS to the set-up, which will be supplemented by the recommended style studios that the stores are involved in defining, based on local preferences.

INVESTOR INFORMATION

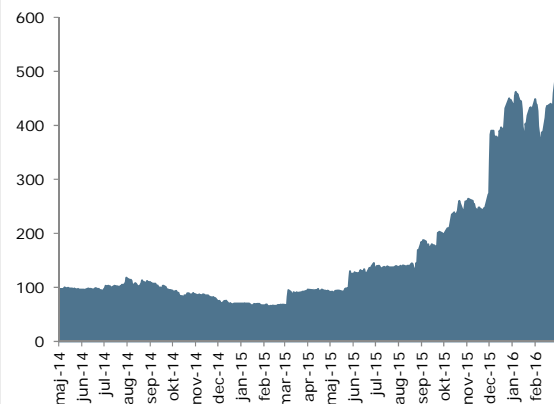
Stock exchange announcements from 1 May 2015 to 31 January 2016:

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 2015/2016 financial year
02.12.2015	Quarterly report Q2 – 2015/2016
03.12.2015	Notification of the acquisition or disposal of majority shareholdings

FINANCIAL CALENDAR

03.03.2016	Quarterly report Q3 – 2015/2016
30.06.2016	Announcement of 2015/2016 financial results
25.08.2016	Quarterly report Q1 – 2016/2017
29.11.2016	Quarterly report Q2 – 2016/2017
03.03.2017	Quarterly report Q3 – 2016/2017

Share price (BOCON B)



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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 2015 to 31 January 2016.

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

In our opinion, the interim report gives a true and fair view of the group's assets, liabilities and financial position at 31 January 2016 and of the results of the group's operations and cash flow for the period 1 May 2015 to 31 January 2016.

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, 3 March 2016

* Employee representative



Income Statement & Total Income

Consolidated Accounts

	01.11. - 31.01. 2015/16 DKK'000	01.11. - 31.01. 2014/15 DKK'000	01.05 - 31.01. 2015/16 DKK'000	01.05 - 31.01. 2014/15 DKK'000
Revenue	289.386	277.101	927.248	837.112
Production costs	(163.924)	(161.650)	(540.080)	(493.279)
Gross profit	125.462	115.451	387.168	343.833
Distribution costs	(71.467)	(83.533)	(227.076)	(278.028)
Administrative expenses	(22.535)	(20.769)	(63.611)	(59.826)
Other operating income	1.030	1.454	6.422	1.714
Other operating expenses	(226)	(66)	(1.528)	(66)
Operating profit/loss before special items (EBIT before special items)	32.264	12.537	101.375	7.627
Special items	0	(6.005)	0	(63.890)
Profit/loss from operating activities (EBIT)	32.264	6.532	101.375	(56.263)
Financial income	1.543	1.699	3.250	5.154
Financial expenses	(637)	(5.054)	(3.517)	(10.155)
Profit/loss before tax	33.170	3.177	101.108	(61.264)
Tax on profit/loss for the period	(7.467)	(3.046)	(22.175)	8.903
Profit/loss for the period	25.703	131	78.933	(52.361)
Broken down as follows:	25.703	(88)	78.933	(52.123)
Shareholders of BoConcept Holding A/S	0	219	0	(238)
Minority interests	25.703	131	78.933	(52.361)
Earnings per share	9,00	(0,03)	27,60	(18,28)
Diluted earnings per share	9,00	(0,03)	27,60	(18,28)
Total income				
Profit/loss for the period	25.703	131	78.933	(52.361)
Items that later can be recirculated to income statement:				
Revaluation of hedging instruments before tax	(143)	(133)	(424)	(377)
Settlement of hedging instruments	325	(132)	346	(1.154)
Foreign currency translation, foreign units	675	1.798	346	3.848
Tax on total income items	0	0	0	0
Total income for the period	26.560	1.664	79.201	(50.044)
Broken down as follows:				
Shareholders of BoConcept Holding A/S	26.560	1.445	79.201	(49.806)
Minority interests	0	219	0	(238)
Total income for the period	26.560	1.664	79.201	(50.044)

Balance Sheet

Consolidated Accounts

	31.01.16 DKK'000	31.01.15 DKK'000	30.04.15 DKK'000
ASSETS			
Goodwill	13.925	12.351	12.574
Master rights	36.600	36.786	36.599
Software	18.304	24.496	24.570
Intangible assets in progress	3.032	2.080	798
Total intangible assets	71.861	75.713	74.541
Land and buildings	55.055	60.697	59.138
Leasehold improvements	6.378	18.686	14.605
Plant and machinery	17.168	14.052	16.776
Fixtures and operating equipment	0	6.299	5.484
Property, plant and equipment in progress	1.210	32	292
Total tangible assets	79.811	99.766	96.295
Deferred tax	9.902	20.935	12.424
Other financial assets	18.416	24.566	21.838
Deposits	10.356	11.608	11.631
Total other non-current assets	38.674	57.109	45.893
Total non-current assets	190.346	232.588	216.729
Inventories	137.012	157.058	151.252
Trade receivables	125.259	126.566	122.631
Other receivables	12.940	23.299	23.199
Cash and cash equivalents	89.500	13.767	12.416
Total current assets	364.711	320.690	309.498
TOTAL ASSETS	555.057	553.278	526.227

Balance Sheet

Consolidated Accounts

	31.01.16 DKK'000	31.01.15 DKK'000	30.04.15 DKK'000
LIABILITIES AND EQUITY			
Share capital	28.621	28.621	28.621
Translation reserve	(1.778)	2.872	(2.036)
Hedging reserve	(2.114)	(7.817)	(2.124)
Retained earnings	211.799	136.774	132.866
Dividend proposed	0	0	0
Equity share, BoConcept Holding A/S shareholders	236.528	160.450	157.327
Minority interests	0	(1.286)	0
Total equity	236.528	159.164	157.327
Deferred tax	12.191	10.698	12.192
Other provisions	8.832	8.815	10.316
Mortgage credit institutions and banks	67.326	65.832	66.287
Total non-current liabilities	88.349	85.345	88.795
Employee bonds	0	0	0
Mortgage credit institutions and banks	16.800	79.680	51.001
Trade payables	88.502	115.312	122.197
Prepayment from customers	39.183	47.481	40.555
Income tax payable	14.721	0	0
Other payables	70.974	66.296	66.352
Total current liabilities	230.180	308.769	280.105
Total liabilities	318.529	394.114	368.900
TOTAL LIABILITIES AND EQUITY	555.057	553.278	526.227

Statement of Equity Movements

Consolidated Accounts

EQUITY						
	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		3.848	(1.531)	(52.123)		(49.806)
Equity at 31 January 2015	28.621	2.872	(7.817)	136.774	0	160.450
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		346	(78)	78.933		79.201
Equity at 31 January 2016	28.621	(1.778)	(2.114)	211.799	0	236.528

Cash Flow Statement

Consolidated Accounts

CASH FLOW STATEMENT (DKK'000)	01.05-31.01.2015/16	01.05-31.01.2014/15
Revenue	933.670	838.566
Operating expenses	(832.295)	(894.829)
Adjustment for non-cash items	21.933	98.683
Change in net working capital	(17.177)	(45.485)
Cash flow from operating activities before financial items	106.131	(3.065)
Interest income etc.	3.250	4.463
Interest paid	(3.525)	(10.155)
Income taxes paid	(1.061)	(3.305)
Cash flow from operating activities	104.795	(12.062)
Acquisition of intangible assets	(3.663)	(6.921)
Sale of intangible assets	0	0
Acquisition of tangible assets	(3.149)	(3.381)
Sale of tangible assets	2	0
Acquisition of financial assets	0	(2.652)
Sale of financial assets	8.019	5.117
Acquisition of companies	0	0
Sale of companies	4.234	0
Cash flow for investing activities	5.443	(7.837)
Cash flow before financing activities	110.238	(19.899)
Instalments on long-term debt	(9.112)	(8.339)
Raising of long-term loans	4.406	2.606
Employee bonds	0	(1.299)
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	(4.706)	(7.032)
Cash inflow/outflow for the period	105.532	(26.931)
Cash and cash equivalents less short-term bank debt, beginning of the period	(27.889)	(31.712)
Revaluation of cash and cash equivalents	8	691
Cash and cash equivalents, end of period	77.651	(57.952)
The amount may be broken down as follows:		
Cash without restrictions	89.500	13.767
Short-term debt to credit institutions	(11.849)	(71.719)
	77.651	(57.952)

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 22%. The effective tax rate for the reporting period in 2014/2015 was 28%.

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

	31.01.16	31.01.15
Contingent liabilities		
Sub-lease agreements concerning store premises	10.036	10.273
Contingent liabilities and security		
Land and buildings recognised at:	55.055	60.697
Production, plant and machinery recognised at:	8.163	6.610
Are charged in addition to the mortgage debt of:	50.764	52.374
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	36.600
Plant, operating equipment and machinery	9.434	10.997
Inventory level	107.349	120.560
Receivables and Location Involvement	118.290	130.203
Total	271.673	298.546
Registered value of company security	125.000	125.000
Non-terminable operating leases are as follows:		
0-1 year	30.391	39.796
1-5 years	46.136	60.714
>5 years	5.199	30.241
	81.726	130.751

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 34.6 million (last year DKK 3.5 million). BoConcept A/S has provided guarantee for bank loans raised by franchisees of DKK 9.3 million (last year DKK 11.7 million).



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

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