

ANNOUNCEMENT 8/2016

Herning, 23 June 2016

Determined execution produced record results for BoConcept in the financial year 2015/2016

Today the supervisory board approved the annual report of BoConcept Holding A/S for the 2015/2016 financial year. The 2015/2016 annual report contains the following highlights:

- **We maintained the high momentum of our strategic optimisation initiative under Horizon** throughout the past financial year, and we will continue to focus on improving the performance and health of the franchise chain; enhancing the integration of our brand, development and distribution processes; and increasing store sales per square metre
- **Revenue rose to DKK 1,235 million, which is the highest ever for BoConcept, and corresponds to growth at a rate of 7.6%**. The rise in revenue was driven by improved brand store performance and a 4% positive contribution from foreign exchange rates
- **Same-store-sales in terms of order intake increased by 12.9%**. This is the second consecutive financial year we have seen same-store-sales rise month by month, as a result of a transformation of the collection and the successful implementation of initiatives to support the brand and promote sales
- **19 stores opened and 18 closed**
- **The operating margin was a record-high 9.7%** due to adjustments in the store network, improved store performance, greater efficiency throughout the value chain and positive exchange rate effects
- **Profit for the year was DKK 93 million**
- Cash flow from operations rose from DKK 19 million last year to DKK 165 million this year. After net investments totalling DKK 3 million, **cash flow before financing activities was an inflow of DKK 163 million, or 13.2% of revenue**

Forecast financial year 2016/2017

Management expects to increase revenue by 3-5% for the 2016/2017 financial year, based on anticipated higher same-store-sales and a larger number of stores. We expect the operating margin to be in the region of 10%. 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 2015/2016 financial year was a landmark year for BoConcept. With DKK 1,235 million in revenues, an operating profit of DKK 120 million and DKK 163 million in cash flow before instalments on long-term debt, our results for the year by far exceeded our original expectations.

We enjoyed progress in three areas in particular: First, same-store-sales increased by 12.9%. Second, efficiency improved significantly throughout the group. Third, we improved the health of the chain by implementing a tight credit policy and an ongoing clean-up process. As a result, the average performance and earnings levels of the stores are rising, and we cut bad debt costs significantly. Lastly, foreign exchange rates had a positive effect on the highly satisfactory profit trend.

With our targeted implementation of our strategic optimisation plan, Horizon 16/17, we have created the strongest business base ever at BoConcept in recent years. It is paramount that we stay on course and keep up the momentum of our continued roll-out of Horizon. In future, we will especially focus on improving store sales and earnings per square metre and on driving more efficiency improvements through the value chain.'

Voluntary public offer to buy, addressed to all the shareholders of BoConcept Holding A/S

As disclosed in Stock Exchange Announcement 5/2016 of 7 June 2016, Layout Bidco A/S, which is affiliated with the 3i Group plc and certain investment entities managed by 3i, has submitted a voluntary conditional public offer to buy all the class B-shares in BoConcept Holding A/S (BoConcept) for DKK 500 in cash per class B-share and all unlisted class A-shares in BoConcept for DKK 615 in cash per share. The offer document has been approved by the Danish Financial Supervisory Authority.

The supervisory board of BoConcept Holding A/S recommends the company's shareholders to accept the offer.

Annual general meeting

The annual general meeting will be held at the company's office, Mørupvej 16, Herning on 25 August 2016 at 4 pm.

Motions for consideration at the general meeting must be submitted in writing to the supervisory and executive boards not later than six weeks before the general meeting, i.e. not later than 14 July 2016.

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

BoConcept Holding A/S

Peter Thorsen
Chairman

Torben Paulin
CEO