

JYSK Nordic
ANNUAL REPORT
2010 - 2011



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Cover photo: Jennie, Store Manager at JYSK Finland

Foreword

This is the 2010/11 annual report for the part of the JYSK Group known as JYSK Nordic. This report covers those companies with stores in the Nordic countries, central Europe, the Netherlands, the UK and China. The report thus covers 15 of the countries in which JYSK now has stores.

The report does not cover the stores in Germany, Austria, Switzerland, France, Spain or Italy, which are run by JYSK Nordic's sister company Dänisches Bettenlager, which has its headquarters in Flensburg, Germany. JYSK Franchise and other companies in JYSK Holding A/S have not been included either.

Our financial year finished at the end of August. The financial crisis continues to set the agenda for the world economy, so JYSK has focused on cost management and continued expansion during the financial year, as we believe that growth during the crisis will strengthen JYSK.

JYSK has opened stores in a new country this year – Serbia, where the customers have welcomed our concept.

Last year, the construction of the largest distribution centre in northern Europe, at Uldum in Denmark, was completed – and this year an even larger distribution centre in Radomsko, Poland, has been completed. Both distribution centres are fully operational and we can now see the great operational benefits of the investments.

The expansion in the overall JYSK Group remains large. We currently have around 17,000 employees spread across 1,900 stores, two head offices and six distribution centres – from China to Canada.

The number of new stores and employees is therefore at a historically high level and in 2012 we expect to reach yet another milestone in JYSK's history, which started with a single store in Silkeborgvej in Aarhus, Denmark in 1979 – the opening of store number 2,000.

Happy reading!



Lars Larsen
Chairman of the Board



Jan Bøgh
Managing Director

Lars Larsen opened his first store in 1979. Today JYSK is an international group with approximately 1,900 stores in 34 countries and 17,000 employees. JYSK aims to provide everyone with great offers and has ambitions to open stores across the world. The group is owned by Lars Larsen, and its annual turnover is approximately 2,5 billion Euro.

JYSK Nordic consists of:

JYSK A/S, Denmark
JYSK AS, Norway
JYSK Sp. z o.o., Poland
JYSK Kft., Hungary
JYSK s.r.o., Slovakia
JYSK d.o.o., Slovenia
JYSK Trading co. Ltd, China
JYSK d.o.o, Serbia

JYSK AB, Sweden
JYSK OY, Finland
JYSK s.r.o., Czech Republic
JYSK B.V., Netherlands
JYSK Ltd, United Kingdom
JYSK d.o.o., Croatia
JYSK d.o.o. Bosnia-Herzegovina

All the companies are owned by Lars Larsen.

JYSK Nordic is not a legal entity, but the information presented comprises the consolidated results for the companies listed above. The results are presented as if JYSK Nordic were a legal entity.

The management of JYSK Nordic is:

Jan Bøgh, Managing Director
Jacob Brunsborg, Brand Director
Henrik Naundrup, Finance and IT Director
Henrik Bøgelund, Logistics Director
Hans Nielsen, Purchasing Director
Niels Veien, Sales & Marketing Director
Mikael Nielsen, Retail Director
Jan Verhoek, HR Director

Formal company management

JYSK A/S (Denmark) Management

Jan Bøgh, Man. Director
Jacob Brunsborg
Henrik Naundrup

Board

Lars Larsen, Chairman
Hans Henrik Kjølby
Jan Bøgh

JYSK AB (Sweden) Management

Johan Sjödin

Board

Jan Bøgh, Chairman
Jacob Brunsborg
Henrik Naundrup
Mikael Nielsen

JYSK AS (Norway) Management

John Thomasgaard

Board

Jan Bøgh, Chairman
Jacob Brunsborg
Henrik Naundrup
Mikael Nielsen

JYSK OY (Finland) Board of directors

Mikael Nielsen

Board

Jan Bøgh, Chairman
Jacob Brunsborg
Henrik Naundrup

JYSK Kft. (Hungary) Board of directors

Jan Bøgh, Chairman
Henrik Naundrup
Mikael Nielsen

Other companies Board of directors

Jan Bøgh, Chairman
Jacob Brunsborg
Henrik Naundrup
Mikael Nielsen

Net profit after tax was DKK 575.2 million, compared to DKK 627.4 million in 09/10. Profits are regarded as satisfactory and correspond to expectations.

EBIT was practically unchanged with DKK 861.3 million compared to DKK 863.4 million in 09/10. The consolidated net revenue rose by 8.1%, which is partly attributed to the fact that the exchange rate of SEK to DKK on average has risen by 9.3% during the course of the year, to NOK by 3.6% and to PLN by 2.4%. At constant exchange rates, the consolidated growth in revenue would instead have been 4.7%, with the EBIT figure approx. DKK 38 million lower.

A smaller improvement in the gross margins has been realised, which partly is attributed to the fall of the average USD exchange rate in comparison with the most important currencies, DKK, SEK and PLN.

Personnel expenses decreased primarily due to realisation of the expected efficiency gains in the distribution centre in Uldum, where the relatively high cost of implementation of the new automated warehouse in the previous year is no longer applicable.

Stock inventories increased from DKK 1.97 billion to DKK 2.24 billion, which is mainly due to increasing stock at distribution centres and increased cost prices. At the same time there has been a need for additional provisions for obsolescence, which has had a negative profit effect of DKK 17.8 million compared to previous years. In spite of rising stock inventories, the cost for external warehouses and container rental has decreased by DKK 9.2 million as a result of the increased capacity of the distribution centres in Uldum, Denmark and Radomsko, Poland. Depreciation increased by DKK 19.7 million primarily due to the full commissioning of the distribution centre in Radomsko.

Financial items deteriorated by DKK 41.8 million, primarily due to statutory expensing of interest on capital loans to JYSK Holding in the Finnish accounts of DKK 21 million and increased interest expenses in Poland for the financing of the expansion of the distribution centre in Radomsko of DKK 16.5 million.

In China, Bosnia-Herzegovina and Serbia it is a statutory requirement for the financial year to end on 31/12. In the JYSK Nordic accounts for 09/10, the results for China and Bosnia-Herzegovina have been included up to 31/12-2009. For 10/11 these countries are included from 31/8, which has meant that this year's JYSK Nordic accounts include 20 months of results from these two countries. This has led to a negative EBIT result of DKK 24.6 million in 10/11.

The EBIT results in Denmark have soared as a result of good development in revenue, combined with a number of costs having been reduced.

The Swedish accounts have yet again achieved an EBIT record, amongst other things due to increasing gross margins. Similarly, an EBIT record has been achieved in the Finnish company, even if the profit levels still could be improved.

In Norway and the Czech Republic/Slovakia, profits remain at a relatively high level.

The Hungarian market remains affected by a difficult crisis, and it is therefore positive that the EBIT results now show an improvement and that there is progress for the second consecutive year.

The Dutch results are characterised by a market in crisis, in which both revenues and gross margin came in below expectations.

Slovenia, Croatia, Bosnia-Herzegovina and Serbia have achieved an overall negative EBIT result, but the result was affected by the opening of 20 new stores.

Because of very high rents, only one new store has been opened in the UK this year. The revenue levels remain too low.

The results in China came in below expectations, primarily due to lower revenue in the stores opened, all of which are situated in the very competitive Shanghai area.

In this financial year, 61 new stores were opened net, which corresponds to the level in the previous year. Expansion has primarily taken place in Poland, the Netherlands, the Czech Republic, Slovenia, Croatia, Bosnia-Herzegovina and Serbia.

Capital and reserves

Equity rose from DKK 2.16 billion to DKK 3.04 billion. This includes a proposed dividend to JYSK Holding A/S of DKK 1.09 billion.

Country results

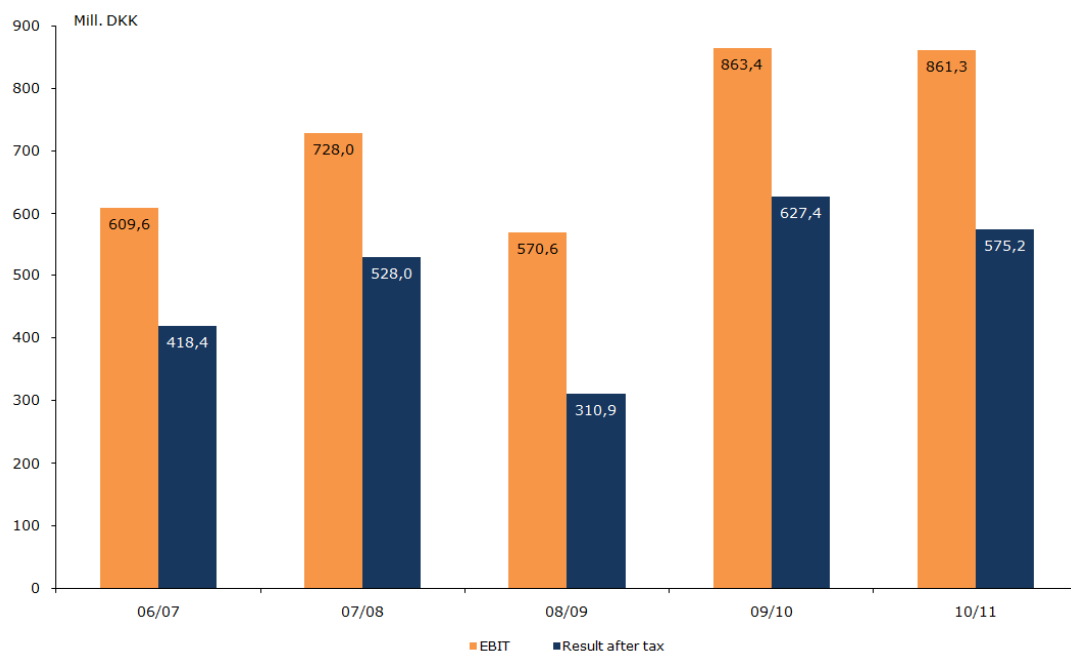
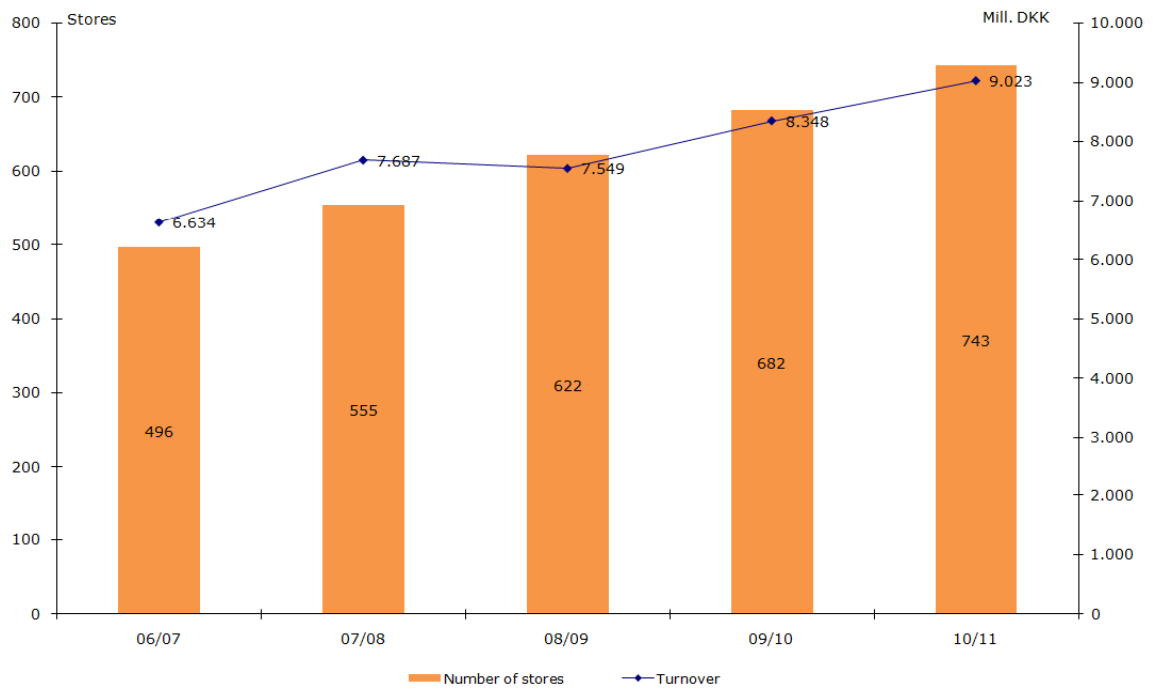
The following results have been described using the same structure as the managerial organisation of the countries. This means that the results from the Czech Republic and Slovakia have been jointly presented, and that the results for Slovenia, Croatia, Bosnia-Herzegovina and Serbia have also been jointly presented. No eliminations have been carried out in the consolidated results for the Czech Republic/Slovakia and Slovenia, Croatia, Bosnia-Herzegovina and Serbia, as internal group transactions between these countries are insignificant.

All country results have been presented as per 31/8 2011, even though China, Bosnia-Herzegovina and Serbia have statutory requirements for annual accounts ending on 31/12. An accounting period of 12 months has been included in the presentation of these three countries' results.

Summary of key figures

The following key figures describe the development of JYSK Nordic over a five-year period:

	2010/11	2009/10	2008/09	2007/08	2006/07
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Key figures					
Profit and loss					
Net revenue	9.022.935	8.347.945	7.549.295	7.687.323	6.633.637
Operating profit/loss	857.356	855.124	565.770	720.883	600.803
Profit/loss before financial items (EBIT)	861.275	863.432	570.585	728.043	609.621
Net financial items	-50.731	-8.899	-109.491	-47.973	-45.964
Profit/loss for the year	575.236	627.389	310.922	528.038	418.384
Balance sheet					
Balance sheet total	5.562.250	4.540.941	3.786.726	3.980.911	3.268.763
Capital and reserves	3.037.185	2.160.533	1.389.225	1.429.629	1.139.125
Cash flows					
Investment in tangible					
Fixed assets	185.529	515.374	524.533	383.298	265.905
Key ratios as a %					
Return on invested capital	15,5%	19,0%	15,1%	18,3%	18,6%
Equity/assets ratio	54,6%	47,6%	36,7%	35,9%	34,8%
Interest on capital and reserves	22,1%	35,3%	22,1%	41,1%	40,2%
Number of employees	6.643	6.155	5.842	5.372	4.574



JYSK A/S (Denmark) EBIT progress

Denmark

Net profit after tax was DKK 235.1 million, compared to DKK 199.6 million the previous year. EBIT profits have risen from DKK 257.5 million to DKK 311.8 million.

The improvement is due to net revenue in total having risen by 2.7%, due to store revenues rising by 3.2% and sales from the distribution centre in Uldum to franchisees and to JYSK stores in other countries remaining largely unchanged.

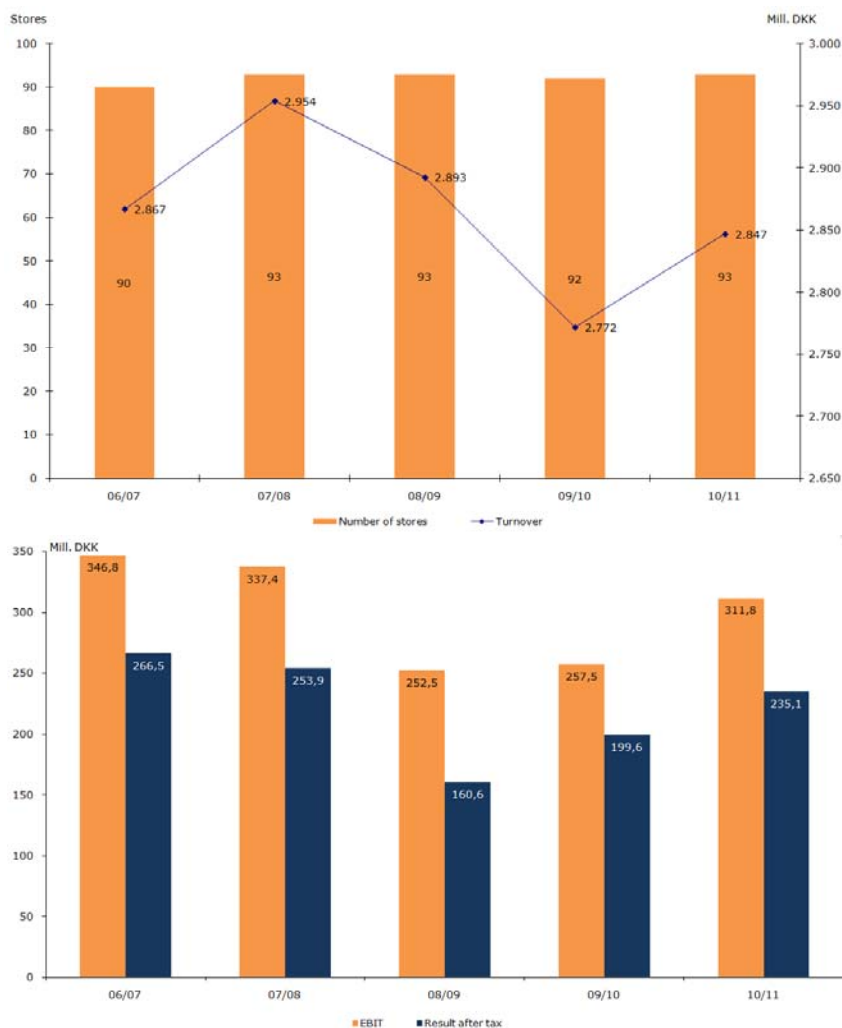
The increased store revenue should be seen in the context of the launch of online sales from 1/12/2010 from www.JYSK.dk.

Personnel costs are reduced by net DKK 3 million, which covers two opposing effects. There has been a significant decrease in personnel costs at the distribution centre in Uldum, due to last year's commissioning of the new automated warehouse being completed. Secondly there has been an increase in the costs of bonuses for store employees as a number of milestones have been achieved in stores.

The costs for external storage and container rental have once again decreased, this time by DKK 14.8 million as a result of the commissioning of the new distribution centre.

Inventories have risen from DKK 574.4 million to DKK 679.3 million, which is more than was planned. The increasing inventories can partly be attributed to sales of garden furniture not having fully lived up to expectations, and partly to the bad weather. The overall cost reduction for the distribution centre at Uldum should be viewed in light of the difficult conditions caused by increasing inventories.

One new store was opened this year, so that there are now 93 Danish stores.



JYSK AB (Sweden) New EBIT record

Profits after tax have fallen from SEK 366.1 million to SEK 266.1 million in 10/11. EBIT has risen from SEK 341.2 million to SEK 360.6 million.

The reason for the downturn after tax is that in 09/10 the company opted not to raise any more accruals and has taken earlier years' accruals to revenue. This led to an income after tax of SEK 101 million in 09/10.

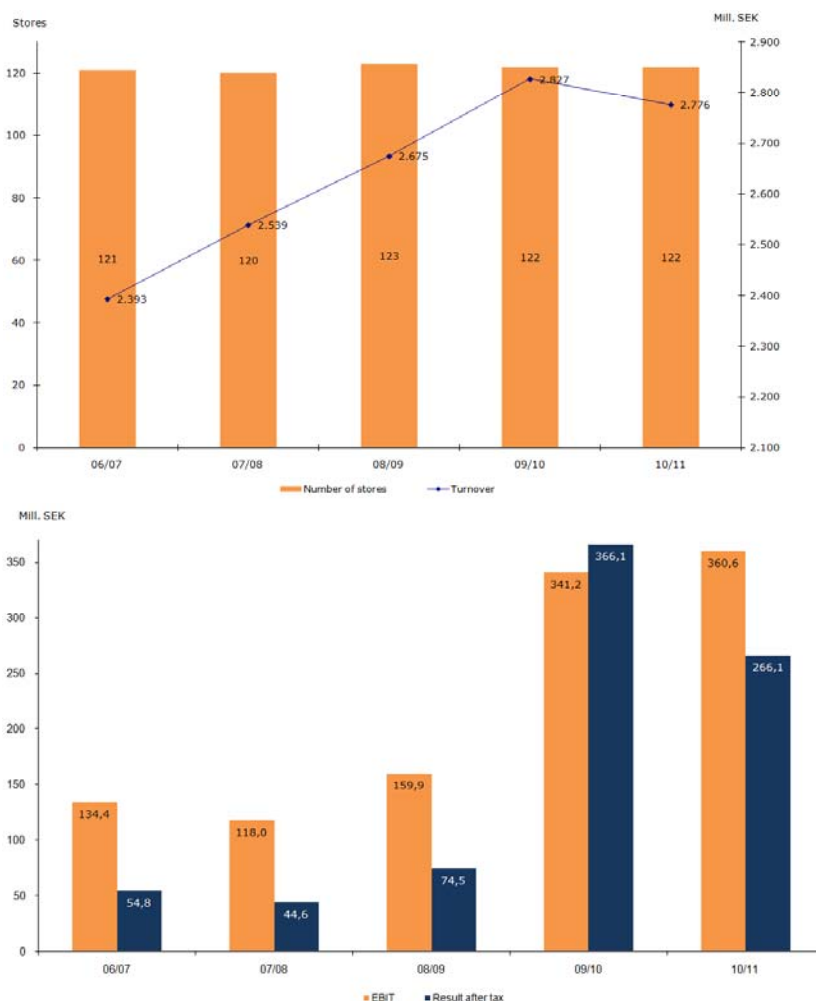
Financial items have decreased by SEK 12.5 million net, as positive gains on exchange rate were experienced in 09/10.

The improvement in EBIT of SEK 19.4 million is due to a number of opposing conditions. Revenue has decreased by 1.8%, which is due to a downturn in revenue from the distribution centre in Nässjö to a number of franchisees and a smaller downturn in revenue in Swedish stores.

Conversely, the gross margin increased primarily as a result of a strengthening of SEK compared to USD by an average of approximately 10% during the year. In addition, depreciation decreased by SEK 13.9 million due to a lower level of investment in the distribution centre.

Inventories have risen from SEK 655.3 million to SEK 689.4 million in 10/11. The increase was not planned and has therefore resulted in increased costs for container rental.

There has been no change to the number of stores, and we still have 122 Swedish stores.



Exchange rate (100 SEK/DKK) as of 31/8/2011 = 81.31

JYSK AS (Norway) Largely unchanged EBIT figure

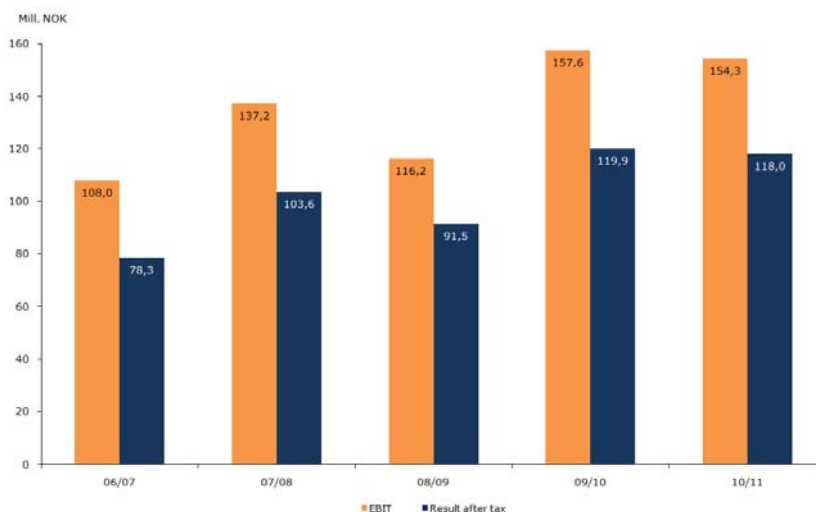
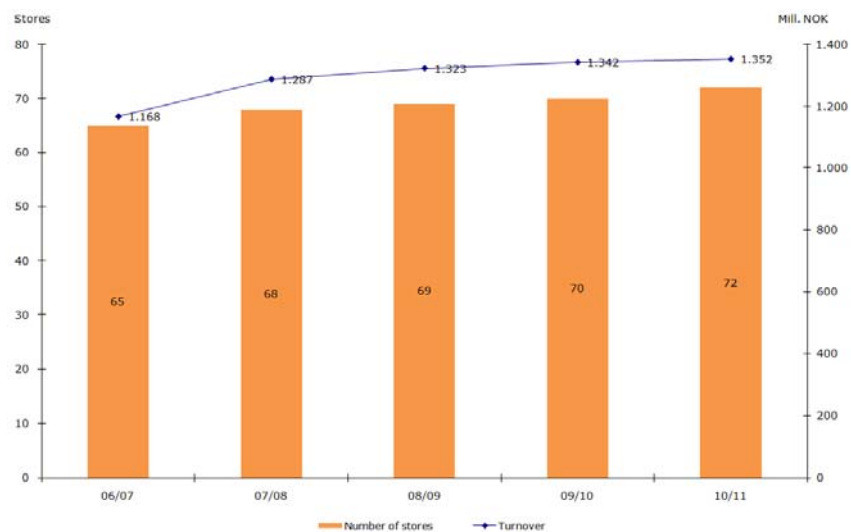
EBIT has dropped from NOK 157.6 million to NOK 154.3 million in 10/11. The net profit after tax was NOK 118 million, compared to NOK 119.9 million the previous year.

Revenue increased slightly by 0.8%, and the gross margin remains largely unchanged.

Personnel costs have remained at the same level as the previous year through efficient cost management. This has happened despite the fact that the Norwegian labour market is still characterised by relatively high wage increases.

Other operating expenses increased by 5.2%, mainly due to entering into new leases at improved locations, higher electricity costs resulting from higher prices and the severe winter, and higher costs for repairs and maintenance on existing leases.

Two new stores were opened during the 2010/11 financial year, bringing the total number in Norway to 72 at the end of the year.



Exchange rate (100 NOK/DKK) as of 31/8-2011 = 96.27

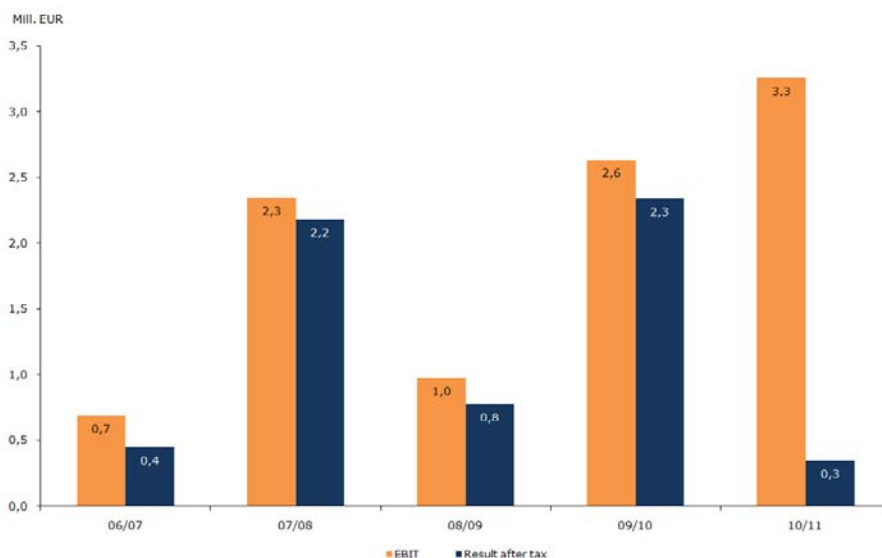
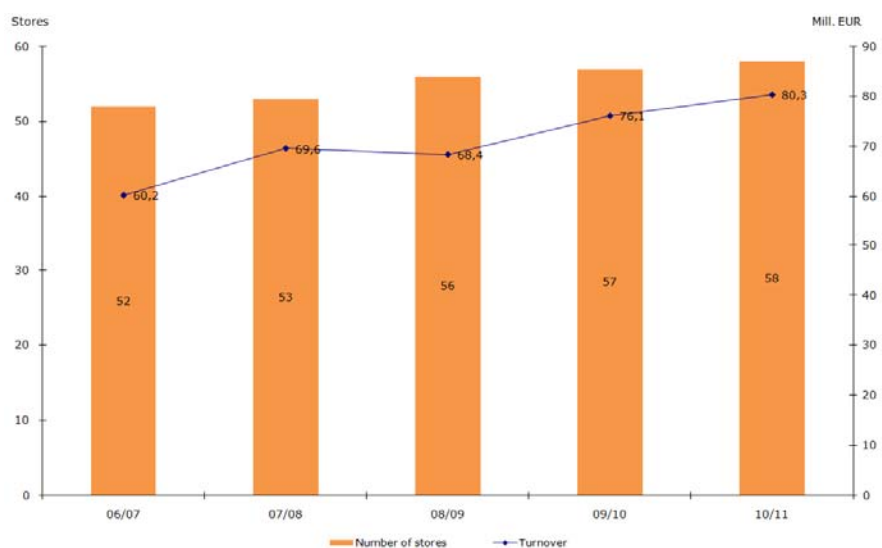
JYSK OY (Finland) Best EBIT result ever

The financial result was a profit of EUR 3.0 million, compared to EUR 2.3 million the previous year. EBIT profits have risen from EUR 2.6 million to EUR 3.3 million in 10/11.

The EBIT increase is due to turnover being up by 5.5%, which is satisfactory when viewed in light of the current market conditions. Moreover, it was also possible to increase the gross margin.

Profits after tax have decreased by EUR 2.0 million, as a result of the company having expensed internal group interest for capital loans granted from JYSK Holding A/S. These are loans taken out in earlier financial years, where the interest under Finnish legislation now must be expensed as the company's improved operation allows it to repay both interest and part of the principal.

The company had a total of 58 stores at the end of the financial year, including one new store that opened during the year.



Exchange rate (100 EUR/DKK) as of 31/8-2011 = 745.12

JYSK Sp. z o.o. (Poland)
Decline in EBIT and full commissioning of the new distribution centre in Radomsko

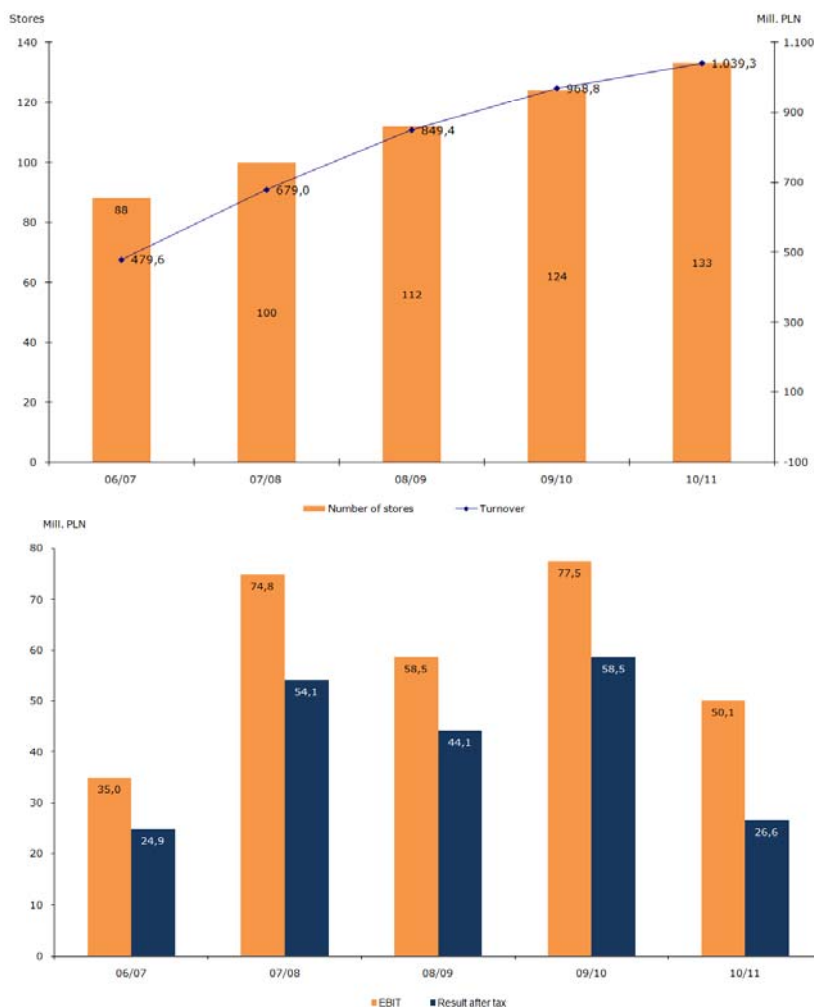
The financial result was a profit after tax of PLN 26.6 million, compared to PLN 58.5 million in the previous financial year. EBIT stood at PLN 50.1 million, compared to PLN 77.5 million the previous year.

The decline in profits is due to the new distribution centre in Radomsko now being fully commissioned, which firstly has lead to increased depreciation of PLN 11.6 million as well as an increase in staff costs of PLN 3.6 million. The increased personnel costs are partly the result of the commissioning of the new automated warehouse.

Revenue increased by 7.3%, but the majority of the growth resulted from sales from the distribution centre to franchisees and to JYSK stores in other countries. Simultaneously, the gross margin decline is primarily due to increased competition in the Polish market, and secondarily due to the increased activity at the distribution centre to generate profit, which is pushing the company's overall profits down.

Financial items have deteriorated by PLN 12.3 million, primarily due to increased interest expense related to financing the expansion of the Radomsko distribution centre.

The company opened nine stores during the financial year and had 133 stores at the end of the year.



Exchange rate (100 PLN/DKK) as of 31/08/2011 = 179.63

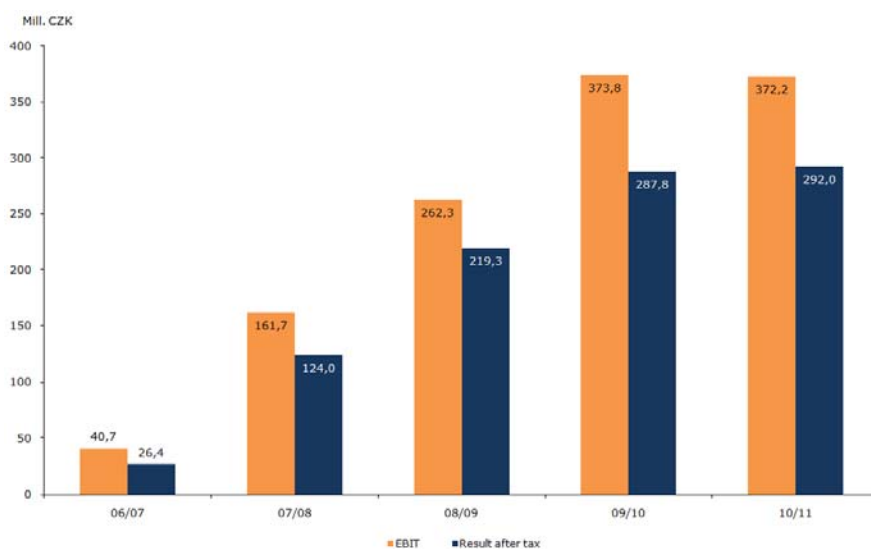
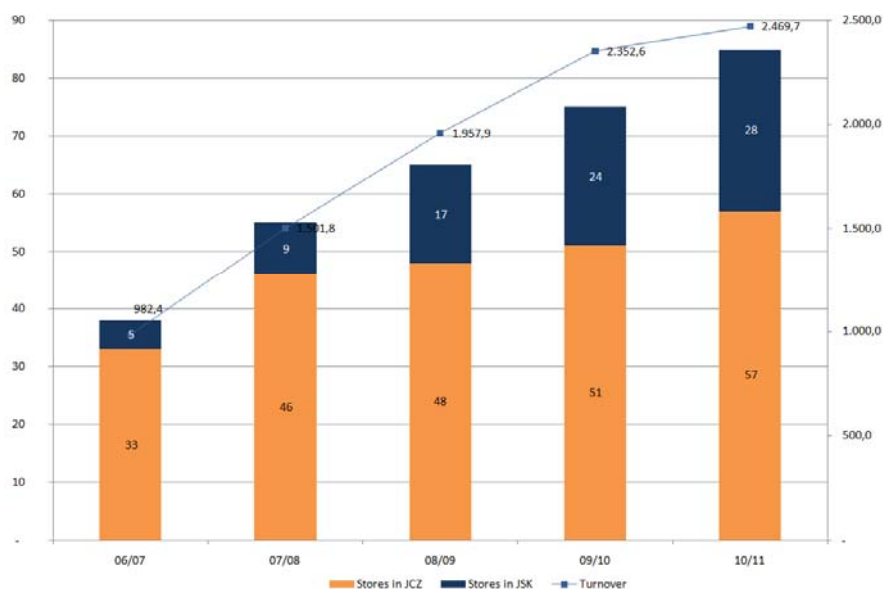
**JYSK s.r.o. (Czech Republic) and
JYSK s.r.o. (Slovakia) Largely unchanged results**

The net result after tax was CZK 292 million, compared to CZK 287.8 million the previous year. EBIT has fallen from CZK 373.8 million to CZK 372.2 million.

Revenue increased by 5.0% due to the opening of new stores and sales in existing stores have been declining due to falling consumption in both markets.

The gross margin is at the same level, and through tight cost control it has been possible to maintain a relatively high EBIT profit

Ten new stores opened during the year, which means that there were 85 stores in the two countries at the end of the year.



Exchange rate (100 CZK/DKK) as of 31/08-2011 = 30.91

JYSK Kft. (Hungary)

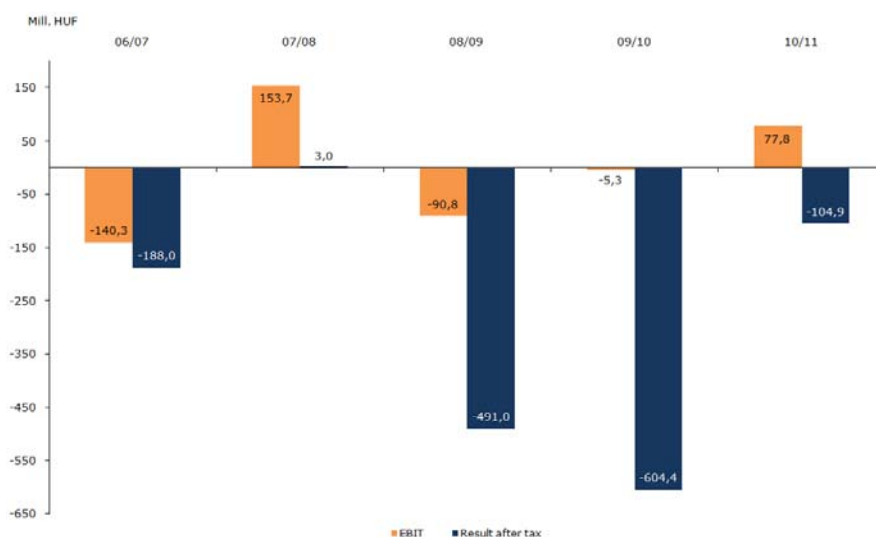
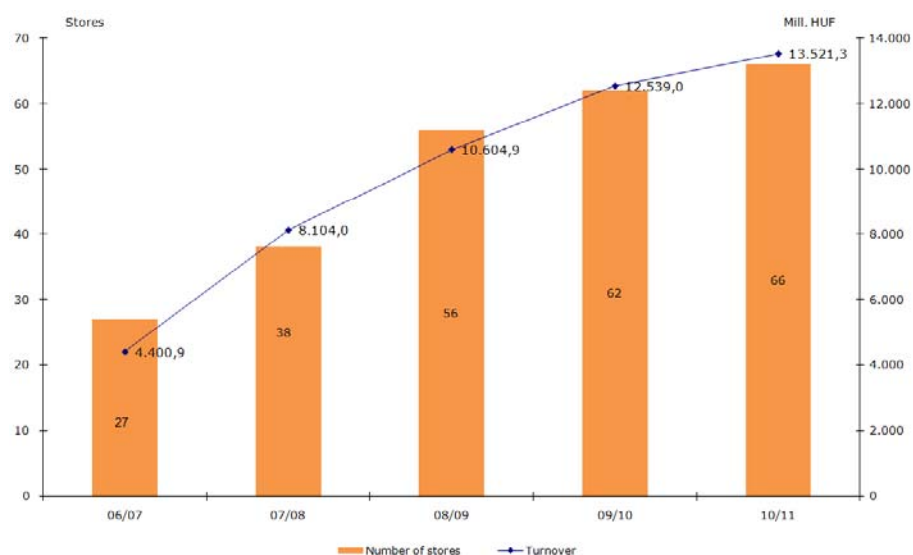
EBIT profits and growth for the 2nd year in a row

The net result after tax was a loss of HUF 104.9 million, compared to a loss of HUF 604.4 million the previous year. The EBIT profits were HUF 77.8 million, compared to a loss of HUF 5.3 million the previous year.

The reason for the improved EBIT is primarily an increase in gross margins as a result of improved purchasing conditions and satisfactory cost control. Revenue increased by 7.8%, which can primarily be attributed to new stores.

The improvement in the result after tax is due to the very large exchange rate adjustments in 09/10, due to the weak development of the HUF.

Four stores opened during the year, meaning that the company had a total of 66 stores at the end of the year.



Exchange rate (100 HUF/DKK) as of 31/8-2011 = 2.74

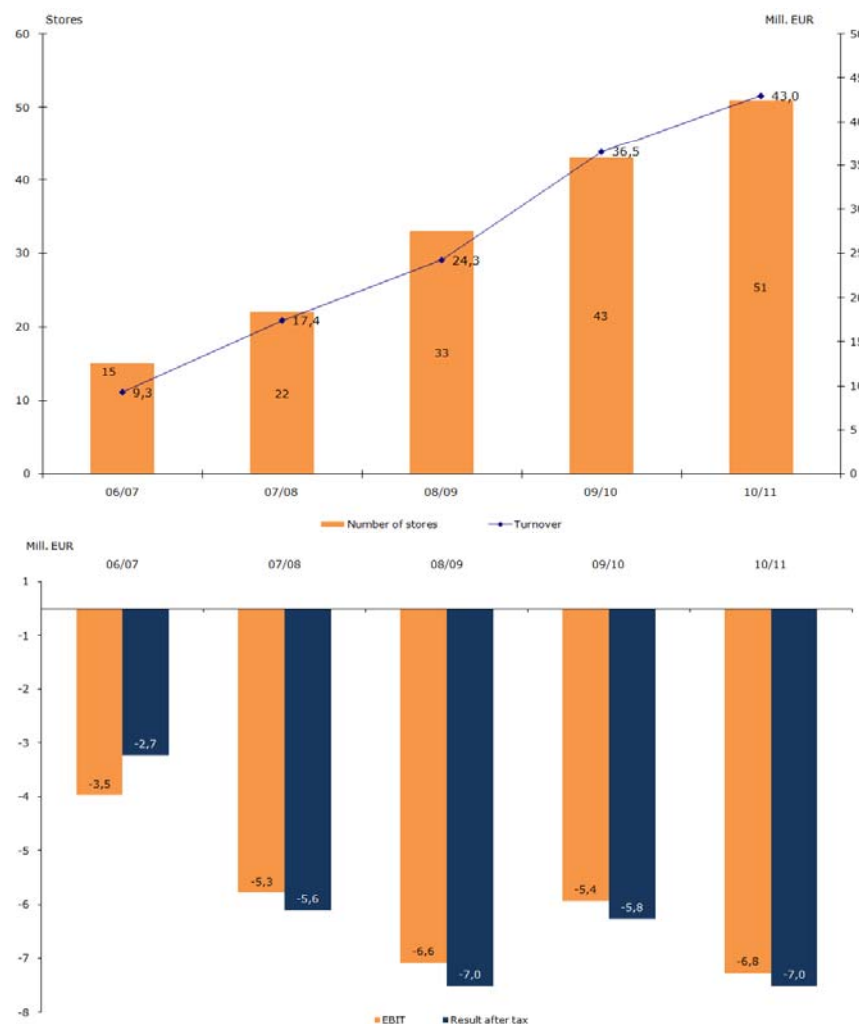
JYSK B.V. (Netherlands) Unsatisfactory results

EBIT dropped from EUR -5.4 million to EUR -6.8 million and the results after tax fell from EUR -5.8 million to EUR -7.0 million.

The unsatisfactory results are due to several conditions all with similar effects. Revenue increased by 17.7% but this was due to new stores, as the revenue of the existing stores has shown a smaller decline. Simultaneously, gross margins declined due to tough competition in the Dutch market with a consequent need for an unplanned level of price reductions.

Cost control has not been satisfactory, which has meant that personnel costs have risen more than planned.

The company has opened eight stores during the financial year and so had a total of 51 stores at the end of the year.



Exchange rate (100 EUR/DKK) as of 31/8-2011 = 745.12

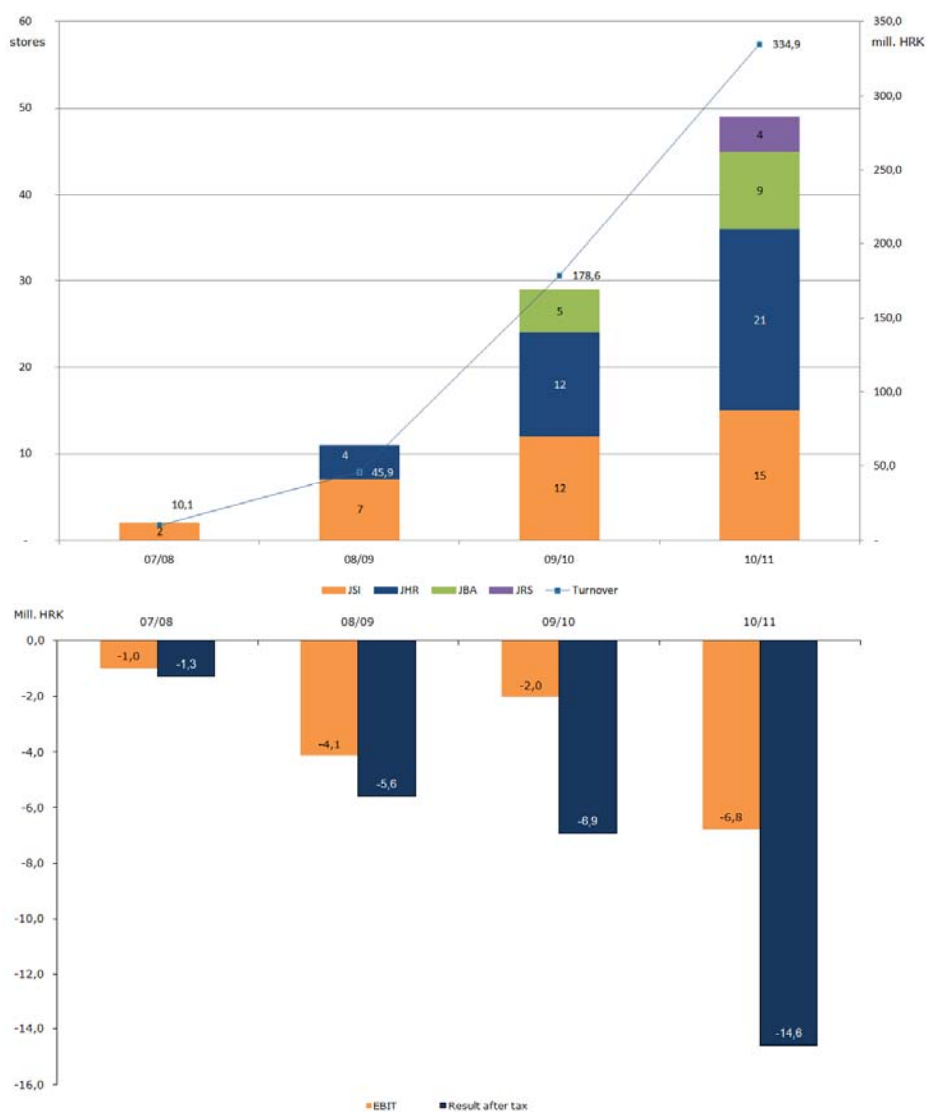
Slovenia, Croatia, Bosnia-Herzegovina and Serbia Opening in Serbia in April 2011

The overall result after tax for the four countries was a loss of HRK 14.6 million, compared to HRK 6.9 million the previous year. EBIT stood at HRK -6.8 million, against HRK -2.0 million the previous year.

The results have been negatively affected by the opening of the first 4 stores in Serbia in April 2011, and the other 16 new stores.

Sales were as expected in the countries, not least the stores in Serbia.

There were 49 stores in these countries at the end of the financial year.



Exchange rate (100 HRK/DKK) as of 31/8-2011 = 99.55

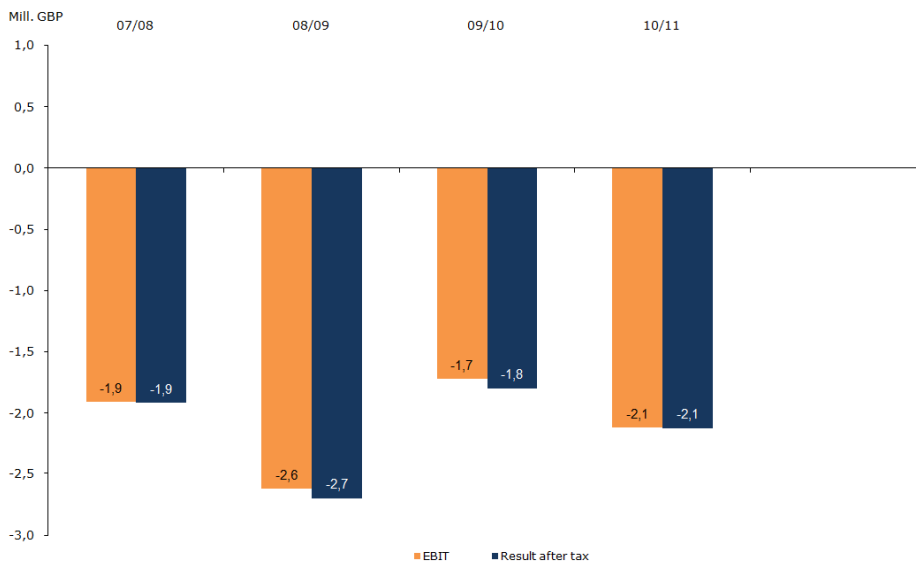
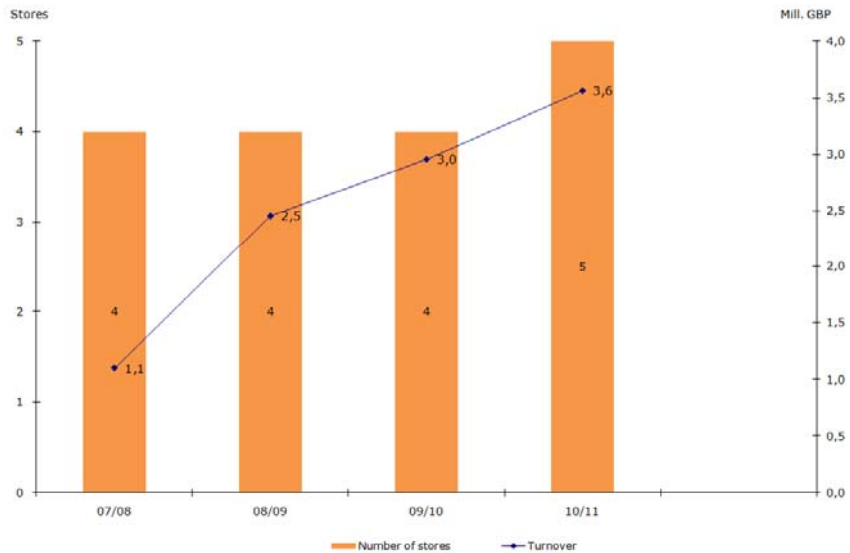
JYSK Ltd. (UK)
Largely unchanged loss

The net result was a loss after tax of GBP 2.1 million, compared to GBP 1.8 million the previous year.

The profit drop was primarily due to the opening of one new store, meaning that the country had five stores at the end of the financial year.

Revenue growth was 20.6%, which can be attributed to the new store.

The British market is still influenced by very high costs of rent, even though the current crisis has led to signs of modest price reductions.

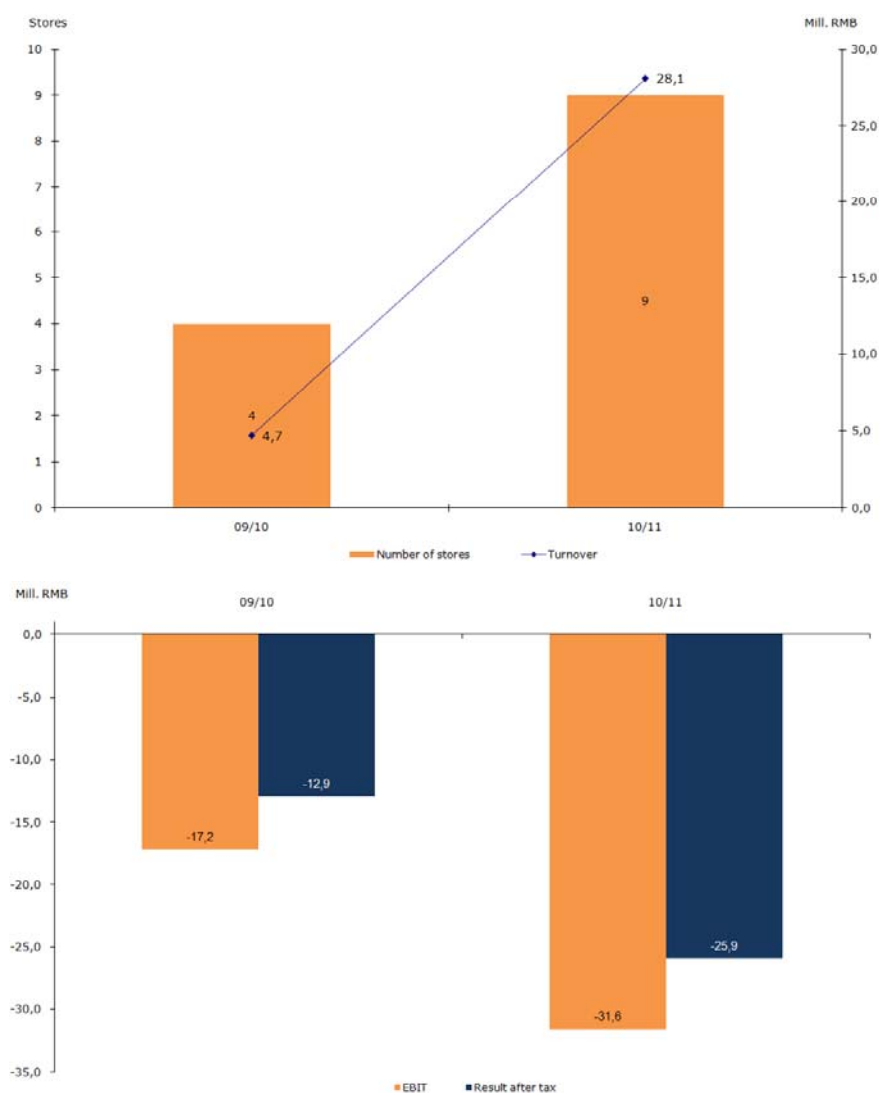


Exchange rate (100 GBP/DKK) as of 31/08/2011 = 841.37

JYSK Trading co. Ltd (China)
Result affected by new store openings

The result was a loss of RMB 25.9 million after tax. Results were affected by the five new store openings, and by lower revenue than expected.

The company has a total of 9 stores, all located in the Shanghai area.



Exchange rate (100 RMB/DKK) as of 31/8-2011 = 80.87

Expectations for the financial year 11/12

The growing turmoil in the financial markets and the resulting government budget savings and a wide range of tax increases are expected to have a negative impact on sales in almost all the countries in which JYSK Nordic operates. It is expected to be difficult to fully compensate this with further cost savings, and for the financial year 11/12 a certain decline in profits should be expected.

The number of new stores opening is expected to remain unchanged compared with 10/11.

Online sales are expected to be implemented in a further 2-3 countries during the financial year, and tests of the City Centre concept will be started in Sweden and Norway.



"I have always moved forward and been given new challenges - both at a personal and professional level. This has been crucial to my motivation and is the reason that I have stayed at JYSK for so many years".
Martina Hangby, 35 years old, Retail Manager in JYSK Sweden, started at JYSK as an 18 year old store assistant. JYSK's goal is to recruit 80 percent of managers internally.

Six priority areas by 2014

JYSK's mission remains the same, namely that of providing great offers in 'sleeping and living' to all its customers. More strategic work with the involvement of hundreds of employees this year formed the basis for the management identifying six strategic goals that are focus areas moving towards 2014.

- JYSK Best Practice
- Improve the JYSK concept
- Continued expansion in countries
- Introduce new store concepts
- Develop online sales
- Improve image as 'experts in Sleeping Culture'

Among the specific initiatives is the rolling out of online sales for JYSK Nordic in light of experience from the Danish online store. In addition, a City Centre concept will be launched in Sweden and Norway, as well as the testing of a larger HYPER JYSK in Central Europe. Improving the perception of product quality and colours and designs is also an ambition, and the range has been expanded with mattresses and beds from Dunlopillo.

Read more about the six strategic goals here: <http://bit.ly/sxKGHq>

Employees

Tradesman, colleague and team spirit. These are JYSK's values. Employee satisfaction and development plays a big role for us. And when JYSK opens on average 2-3 stores every week, it requires both new talent and experienced forces across the group – in the stores, distribution centres and at head offices. We have a great focus on management training of talents, as we aim to recruit 80% of our management internally. This has also resulted in increased communication efforts internally and externally to attract the best employees to JYSK. See www.JYSK.tv and our careers newsletter: <http://bit.ly/vjyt53>

Last year we gained approximately 1,000 new employees in the JYSK group – welcome!

Distribution centres

In the spring of 2011, the expansion of JYSK's distribution centre in Radomsko, Poland was completed. The year before saw the completion of the distribution centre in Uldum, Denmark. With these modern distribution centres JYSK is thus, so far, equipped to handle the millions of products annually purchased to be sent out into the stores. Economies of scale for investments in storage capacity must now be exploited – and we can already see the initial effects of a modern logistics system.

In addition to Denmark and Poland, JYSK Nordic also has distribution centres in Sweden and China. JYSK Nordic's sister company, Dänisches Bettenlager has two distribution centres in Germany.

Find out more about our logistics at www.JYSK.tv:
<http://www.jysk.tv/JYSK-TV---UK/Logistics.aspx>



Warehouse employee Steen Hansen at the distribution centre in Uldum, Denmark processed the first online order when the Danish webshop opened on 15 November 2010. The order was for a duvet and a pillow from Ringsted dun, which was sent to Copenhagen. Webshops are now to be rolled out in other JYSK Nordic countries.

JYSK is an international concern that is in daily contact with thousands of customers and employees. This carries with it great responsibility. We purchase large volumes of products from suppliers worldwide and our actions have an impact on our environment.

We aim to be a socially responsible retailer and we expect and demand the same from our suppliers. We perform both announced and unannounced inspections of our suppliers and their production processes in order to ensure that our contractual agreements are fulfilled.

We have chosen to define our work with CSR as *taking responsibility for our products as well as their production and manufacture*. This is where we feel we can make the biggest difference and why it makes sense to channel our resources into this area.

We are a member of the Business Social Compliance Initiative (BSCI), which supports the UN's Global Compact and the International Labour Organisation. The BSCI is a common European supplier inspection and training system, which has more than 700 companies as members. We have the same standards and demands for social conditions and it makes sense for the individual supplier, who now has only a single standard to meet.

The BSCI's 10 principles of corporate ethical and social responsibility are set out in a Code of Conduct which suppliers to BSCI members must sign. This prohibits child labour, forced labour and discrimination and sets out requirements for safety, working hours and environmental protection.

Change does not happen overnight, and it certainly does not come from turning our backs on problems. This is why we prefer to continue working with suppliers who have problems and help them correct their mistakes, because we will only be able to move forward if we work together.

One of the biggest reasons for climate change is deforestation. Approximately 20% of CO₂ emissions result from the clearing and burning of forests to obtain wood for things like garden furniture and home flooring.

JYSK is one of Europe's largest retailers of garden furniture. We therefore have a particular obligation to work actively to fight illegal 'slash and burn' forestry. This is why JYSK is a member and co-founder of The Forest Trust (TFT), which was started in 1999. TFT works to create more sustainable forestry and today has more than 80 members worldwide. Through our membership, we at JYSK are committed to increasing the percentage of FSC-certified furniture in our product range – which is a commitment we have fulfilled.

All control systems have loopholes, and mistakes and misunderstandings can arise, which is why we unfortunately cannot issue any guarantees that all of our requirements are followed by all of our suppliers worldwide, at all times and down to the last detail. However, we can guarantee that we work consciously, systematically and responsibly to improve conditions and processes, in close collaboration with our suppliers.

Our Code of Conduct is based on the 10 principles set out in the UN Global Compact for corporate social responsibility.

Progress report

JYSK's ethical policy is based on 10 principles, which are identical to the core of the BSCI's Code of Conduct – which is in turn based on the ILO conventions and the UN Global Compact.	Activities	Results
<ol style="list-style-type: none"> 1. Freedom of association and the right to collective bargaining are respected. 2. No discrimination is practised. 3. Child labour is prohibited. 4. Legal minimum and/or industry standard wages are paid. 5. Working hours are compliant with national laws. 6. There is no forced labour or disciplinary measures. 7. The workplace is safe and healthy. 8. The environment is respected. 9. There is a policy for social accountability. 10. There is an anti-bribery and anti-corruption policy. 	<p>JYSK has been a member of the BSCI since 2006. The BSCI's Code of Conduct is included in JYSK's Supplier Guidelines and is an established part of our contract with suppliers. BSCI-approved auditors check the suppliers, who are also instructed in the Code of Conduct via the BSCI.</p> <p>JYSK was a co-founder of The Tropical Trust in 1999. As a member, JYSK undertakes to increase the percentage of FSC-certified garden furniture.</p> <p>JYSK sells Fairtrade goods, and we have decided that all our bed linen, sheets, towels and household textiles must comply with the Oeko-tex standard. We also sell goods bearing the EU flower mark.</p> <p>JYSK aims to enter into dialogue with major players in the field of CSR and takes an active part in cooperative efforts in this area.</p>	<p>All of JYSK's largest and most important suppliers are part of the BSCI process.</p> <p>JYSK is participating in a collaboration with Save the Children called Work2Learn – a training programme for young people in Bangladesh.</p> <p>In 1999, none of JYSK's garden furniture was FSC-certified. Today the figure is 80% (compared to 75% the previous year). We expect to increase this proportion further next year. JYSK is represented on the Board of TFT.</p> <p>JYSK is an official licensee of the Fairtrade label. All bed linen, sheets and towels are now inspected to ensure that they meet the Oeko-tex requirements. Similar processes are applied to other household textiles.</p> <p>Apart from its membership of the BSCI and the Danish Council for Sustainable Development, JYSK joined DIEH (Danish Initiative for Ethical Trade) last year.</p>

Sponsorships and donations

JYSK is the main sponsor of the Danish Disabled Athletics Association. JYSK/JYSK Franchise also sponsors disabled sports associations in Norway and Sweden, as well as Canada, Lithuania, Latvia, Estonia, Iceland and the Faroe Islands.

JYSK has started a project as part of The Climate Tree, in which 1 million square metres of rainforest forestation is now underway in Brazil. To read more: <http://www.tft-forests.org/climate-tree/page.asp?p=6267>

JYSK has again this year sold goods to support the fight against breast cancer for the Cancer Society, supported the collections Africa Now and Denmark's National Collection as well as sponsoring the FSC Design Award.

JYSK's regular plastic bags have gone from consisting of 33 percent reusable to 50 percent reusable material.

Read more

At <http://www.jysk.com/frontpage/responsibility.htm> you can read more about our policies and activities – and also download our CSR Strategy and Code of Conduct.



*Alan Schmidt showed his competitors a clean pair of heels at the Cycling World Championships in 2010 in Australia and won gold medals in both the 30 km mass start and the time trial competition. Allan Schmidt has spastic paralysis and participates in the tricycling class. JYSK has been the main sponsor of the DHIF (Danish Disabled Sports Association) for over 20 years. JYSK/JYSK Franchise also sponsors disabled sports associations in Norway and Sweden, as well as Canada, Lithuania, Latvia, Estonia, Iceland and the Faroe Islands.
Photo: Lars Schmidt.*

Profit and loss account

Profit and loss account 1 September 2010 - 31 August 2011

	2010/11	2009/10
	DKK 1.000	DKK 1.000
Net revenue	9.022.935	8.347.945
Cost of sales	4.487.232	4.174.753
Other operating income	3.919	8.308
Other external expenses	2.134.252	1.881.330
Gross profit	2.405.370	2.300.170
Staff costs	1.345.334	1.257.701
Depreciation of tangible fixed assets	198.761	179.037
Profit/loss before financial items	861.275	863.432
Financial income	20.505	44.935
Financial expenses	71.236	53.834
Profit/loss before tax	810.544	854.533
Tax on profit for the year	235.308	227.144
Profit/loss for the year	575.236	627.389
Appropriation of profit		
Proposed appropriation of profit		
Proposed dividend for the financial year	1.093.935	0
Retained profit	-518.699	627.389
	575.236	627.389

Balance sheet 31 August

Assets

	2011	2010
	DKK 1.000	DKK 1.000
Land and buildings	667.038	332.531
Other operating plant, fixtures and fittings	549.102	417.984
Lorries and passenger cars	55.982	53.029
Fixtures and fittings for leased premises	129.028	107.827
Tangible fixed assets under construction	12.120	565.100
Tangible fixed assets	1.413.270	1.476.471
Deposits	59.138	57.759
Financial fixed assets	59.138	57.759
Fixed assets	1.472.408	1.534.230
Inventories	2.239.347	1.968.661
Sales and services	52.804	45.846
Affiliated companies	909.085	927
Other receivables	69.504	62.464
Prepayments and accruals	41.092	46.821
Accounts receivable	1.072.485	156.058
Cash and cash equivalents	778.010	881.992
Current assets	4.089.842	3.006.711
Assets	5.562.250	4.540.941

Balance sheet 31 August

Liabilities

	2011	2010
	DKK 1.000	DKK 1.000
Share capital	401.298	337.824
Accumulated profits	1.541.952	1.822.709
Proposed dividends for the financial year	1.093.935	0
Capital and reserves	3.037.185	2.160.533
Deferred tax	375	5.394
Provisions for liabilities and charges	375	5.394
Affiliated companies	98.968	98.883
Long-term financial liabilities	98.968	98.883
Credit institutions	692.685	674.812
Advance payments received from customers	24.588	15.991
Suppliers of goods and services	490.522	497.694
Affiliated companies	309.142	316.528
Corporation tax	300.512	183.388
Prepayments and accruals	24.557	14.197
Other liabilities	583.716	573.521
Current financial liabilities	2.425.722	2.276.131
Financial liabilities	2.524.690	2.375.014
Liabilities	5.562.250	4.540.941



JYSK continues its ambition from last year to cultivate and improve the company's image as "experts in sleeping culture". We sell BASIC products at the inexpensive end, PLUS products in the mid-range category, and we offer high-quality duvets, pillows and mattresses in our GOLD category. Recently we have also started selling mattresses and beds from Dunlopillo.

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