

# INTERIM REPORT FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2016

Consolidated revenue for H1 2016/17 amounted to DKK 1,517 million (DKK 1,446 million) corresponding to a growth rate of 4.9% or 6.3% measured in local currency. Revenue increased in both the wholesale channel as well as the retail channel – in the latter channel driven by new stores and e-commerce. The gross margin amounted to 56.6%, which is at the same level as the corresponding period last financial year. Costs increased by DKK 42 million of which the main part is attributable to sales-related costs. The consolidated operating profit for H1 2016/17 amounted to DKK 180 million (DKK 182 million) resulting in an EBIT margin of 11.9% compared to 12.6% for H1 2015/16.

For the financial year 2016/17, we expect to realize a revenue growth rate of 5-6% measured in local currency (previously “at least 6%”) whereas the EBIT margin before non-recurring costs attributable to the implementation of the new structure in IC Group is expected at a level of 7-8% (previously “8-9%”). When including these non-recurring costs, the EBIT margin is expected to attain a level of 6-7%.

## Financial Performance Q2

	Revenue DKK million		Revenue growth		Operating profit DKK million		EBIT margin	
	Q2 2016/17	Q2 2015/16	Growth in local currency	Reported growth	Q2 2016/17	Q2 2015/16	Q2 2016/17	Q2 2015/16
Peak Performance	267	219	24.0%	21.9%	49	21	18.4%	9.6%
Tiger of Sweden	220	218	3.5%	0.9%	6	7	2.7%	3.2%
By Malene Birger	77	76	3.6%	1.3%	-	-	0.0%	0.0%
<b>Premium brands</b>	<b>564</b>	<b>513</b>	<b>12.3%</b>	<b>9.9%</b>	<b>55</b>	<b>28</b>	<b>9.8%</b>	<b>5.5%</b>
Other brands	100	94	6.5%	6.4%	4	4	4.0%	4.3%
<b>Reportable segments</b>	<b>664</b>	<b>607</b>	<b>11.4%</b>	<b>9.4%</b>	<b>59</b>	<b>32</b>	<b>8.9%</b>	<b>5.3%</b>
Unallocated items and eliminations	2	(4)	n.m	n.m	(14)	(13)	n.m	n.m
<b>Total</b>	<b>666</b>	<b>603</b>	<b>12.5%</b>	<b>10.4%</b>	<b>45</b>	<b>19</b>	<b>6.8%</b>	<b>3.2%</b>

## Segment performance for Q2

- Peak Performance generated revenue for Q2 2016/17 of DKK 267 million (DKK 219 million) corresponding to a growth rate of 21.9% (24.0% measured in local currency) driven by both the wholesale channel as well as the retail channel. Timing effects had a positive impact on revenue by approx. DKK 15 million. The operating profit amounted to DKK 49 million (DKK 21 million) corresponding to an EBIT margin of 18.4% (9.6%). This improvement was driven by both the gross margin as well as the cost ratio. The operating profit for Q2 2015/16 was negatively affected by timing effects of DKK 8 million.
- Tiger of Sweden generated revenue for Q2 2016/17 of DKK 220 million (DKK 218 million) thus corresponding to an increase of 0.9% (3.5% measured in local currency). Revenue from the wholesale channel declined due to closure of franchise stores and lower in-season selling. Consequently, growth was driven by the retail channel where new stores and high e-commerce growth contributed. The operating profit amounted to DKK 6 million (DKK 7 million) corresponding to an EBIT margin of 2.7% (3.2%).
- By Malene Birger generated revenue for Q2 2016/17 of DKK 77 million (DKK 76 million) corresponding to a growth rate of 1.3% (3.6% measured in local currency). This increase was attributable to the wholesale channel as well as high e-commerce growth. The operating profit amounted to DKK nil (DKK nil). The gross margin deteriorated due to higher discounts and a larger amount of returned products whereas the cost ratio improved marginally.
- Revenue from the Group's Other brands increased by 6.4% (6.5% measured in local currency) to DKK 100 million for Q2 2016/17 (DKK 94 million). Growth was primarily driven by Designers Remix. The operating profit amounted to DKK 4 million (DKK 4 million) resulting in an EBIT margin of 4.0% (4.3%).

## Group performance for Q2

- Consolidated revenue amounted to DKK 666 million (DKK 603 million) corresponding to a growth rate of 10.4% (12.5% measured in local currency). Growth was generated in both the wholesale channel as well as the retail channel where new stores and high e-commerce growth contributed. The Group opened a net amount of 10 stores in Q2 2016/17.
- The gross profit amounted to DKK 381 million (DKK 341 million), and the gross margin was thus improved to 57.2% (56.6%) driven by better product margins and lower inventory write-downs, which were partly diluted by higher discounts and more clearance sales during the period.
- Capacity costs increased by DKK 14 million to DKK 336 million compared to Q2 2015/16. After having adjusted for timing effects in Q2 2015/16, costs increased by DKK 22 million of which the main part is attributable to sales-related costs – primarily for new stores opened in both 2015/16 as well as 2016/17.
- The consolidated operating profit for Q2 2016/17 amounted to DKK 45 million (DKK 19 million) corresponding to an EBIT margin of 6.8% compared to 3.2% for Q2 2015/16.
- The working capital amounted to DKK 470 million corresponding to an increase of DKK 134 million compared to last financial year. This increase was primarily driven by higher inventories as well as trade receivables. The working capital constituted 17.2% of the trailing twelve months revenue compared to 12.6% for the same period last year.

## Financial performance H1

	Revenue DKK million		Revenue growth		Operating profit DKK million		EBIT margin	
	H1 2016/17	H1 2015/16	Growth in local currency	Reported growth	H1 2016/17	H1 2015/16	H1 2016/17	H1 2015/16
Peak Performance	615	562	10.7%	9.4%	111	99	18.0%	17.6%
Tiger of Sweden	509	495	4.6%	2.8%	61	60	12.0%	12.1%
By Malene Birger	176	180	(0.4)%	(2.2)%	4	13	2.3%	7.2%
<b>Premium brands</b>	<b>1,300</b>	<b>1,237</b>	<b>6.7%</b>	<b>5.1%</b>	<b>176</b>	<b>172</b>	<b>13.5%</b>	<b>13.9%</b>
Other brands	215	207	4.0%	3.9%	17	14	7.9%	6.8%
<b>Reportable segments</b>	<b>1,515</b>	<b>1,444</b>	<b>6.3%</b>	<b>4.9%</b>	<b>193</b>	<b>186</b>	<b>12.7%</b>	<b>12.9%</b>
Unallocated items and eliminations	2	2	n.m.	n.m.	(13)	(4)	n.m.	n.m.
<b>Total</b>	<b>1,517</b>	<b>1,446</b>	<b>6.3%</b>	<b>4.9%</b>	<b>180</b>	<b>182</b>	<b>11.9%</b>	<b>12.6%</b>

### Segment performance for H1

- Peak Performance generated revenue for H1 2016/17 of DKK 615 million (DKK 562 million) corresponding to a growth rate of 9.4% (10.7% measured in local currency) driven by both the wholesale channel as well as the retail channel, particularly from the retail channel where new stores and strong e-commerce growth contributed. The operating profit amounted to DKK 111 million (DKK 99 million) corresponding to an EBIT margin of 18.0% (17.6%). This improvement was driven by a lower cost ratio.
- Tiger of Sweden generated revenue of DKK 509 million for H1 2016/17 (DKK 495 million) thus corresponding to an increase of 2.8% (4.6% measured in local currency). Growth was driven by a positive effect of approx. DKK 18 million caused by a shift in deliveries in Q1 as well as new stores opened during 2015/16 and e-commerce. The operating profit amounted to DKK 61 million (DKK 60 million) corresponding to an EBIT margin of 12.0% (12.1%).
- By Malene Birger's revenue for H1 2016/17 declined by 2.2% to DKK 176 million (DKK 180 million). Measured in local currency, this amounted to a revenue decline of 0.4%. This development was driven by the retail channel where growth from the e-commerce channel was not able to compensate the negative development experienced in the physical stores. The operating profit amounted to DKK 4 million (DKK 13 million). The gross margin deteriorated due to higher discounts and a larger amount of returned products whereas costs were negatively affected by non-recurring costs of DKK 4 million attributable to a comprehensive brand and positioning analysis carried out in Q1 2016/17.
- Revenue from the Group's Other brands increased by 3.9% (4.0% measured in local currency) to DKK 215 million for H1 2016/17 (DKK 207 million). Growth was primarily driven by Designers Remix. The operating profit amounted to DKK 17 million (DKK 14 million). The EBIT margin was improved by 7.9% (6.8%) due to a higher gross margin as well as a lower cost ratio.

### Group performance for H1

- Consolidated revenue amounted to DKK 1,517 million (DKK 1,446 million) corresponding to a growth rate of 4.9% (6.3% measured in local currency). Growth was generated in both the wholesale channel as well as the retail channel where new stores and high e-commerce growth contributed. The Group opened a net amount of 8 stores in H1 2016/17.
- The gross profit amounted to DKK 858 million (DKK 818 million), and the gross margin of 56.6% was thus equal to last financial year.
- Capacity costs increased by DKK 42 million to DKK 678 million compared to H1 2015/16. After having adjusted for one-off effects in both H1 2016/17 as well as H1 2015/16, costs still increased by DKK 42 million. This increase was mainly driven by sales-related costs – primarily for new stores.
- The consolidated operating profit for H1 2016/17 amounted to DKK 180 million (DKK 182 million) corresponding to an EBIT margin of 11.9% (12.6%).

## Updated outlook for the financial year 2016/17

Due to the development in in-season selling to wholesale customers, especially in Tiger of Sweden, the revenue growth rate is now expected to be realized at a level of 5-6% measured in local currency (previously “at least 6%”). Based on the current exchange rates of the Group’s primary sales currencies (primarily SEK, NOK and GBP), this corresponds to a reported revenue growth rate of 4-5% (previously “at least 5%”).

Revenue growth is primarily expected to be driven by the retail channel where in particular new stores will generate growth. At present, we expect to open 15-20 new stores for the financial year 2016/17 (unchanged). The Group opened 13 new stores during H1 2016/17.

The changes initiated in 2016 in Tiger of Sweden have now resulted in a number of non-recurring costs, in particular severance payments as well as costs related to distribution changes in the brand.

As a consequence of the above, the expectations for the EBIT margin have been changed, and the EBIT margin is now expected to attain a level of 7-8% (previously “8-9%”) before non-recurring costs attributable to the implementation of the new structure in IC Group, cf. the company announcement dated 2 February 2017.

The non-recurring costs attributable to the implementation of the new structure are estimated to reach a level of approx. DKK 30 million. However, the exact amount will depend on the implementation of the plan as well as negotiations with the different parties involved.

The EBIT margin is subsequently expected to attain a level of 6-7% for the financial year 2016/17.

With effect from the financial year 2017/18, the planned changes are expected to lead to earnings improvement of approx. DKK 30-40 million.

Investments for the financial year 2016/17 are expected to attain a level of 3-5% of the annual revenue (unchanged). These investments are undertaken to maintain existing assets – including store furniture and equipment – as well as in connection with new store openings (leasehold improvements and if necessary key money).

Outlook for 2016/17	Realized 2015/16 (DKK million)	Most recent announcement	Current announcement	Status
Revenue growth (local currency)	1.9%	At least 6%	5-6%	Changed
Revenue growth (reported)	1.0%	At least 5%	4-5%	Changed
EBIT margin (prior to structural changes)	9.1%	8-9%	7-8%	Changed
EBIT margin (after structural changes)			6-7%	New
Investments	3.0%	3-5% of revenue	3-5% of revenue	Unchanged

Copenhagen, 28 February 2017

IC Group A/S

Peter Thorsen  
Interim Group CEO

Alexander Martensen-Larsen  
Group CFO

## Information Meeting

IC Group will host an information meeting for investors, analysts and other stakeholders on Wednesday 1 March 2017 at 10.00 a.m. The information meeting will be held in English via audio cast and telephone, and it will be possible to raise questions online using the relevant chat function or telephone. To participate in the information meeting online, please use the link below which is also available on our corporate website [icgroup.net](http://icgroup.net) under Investors: <http://edge.media-server.com/m/p/tzzvzi3y>

To participate in the telephone conference, please dial in using the below-listed telephone numbers:

+45 3271 1660 (Denmark)

+1 646 254 3367 (USA)

+44 (0) 20 3427 1901 (UK)

## Forward-looking statements

This interim report contains forward-looking statements, including statements regarding the Group’s future operating profit, financial position, inventory, cash flows, Group and brand strategies as well as plans for the future. Forward-looking statements include, without limitation, any statement that may predict, indicate or imply future results, performance or achievements, and may contain the words “believes”, “expects”, “estimates”, “projects”, “plans”, “anticipates”, “continues” and “intends” or any variations of such words or other words with similar meaning. The statements are based on Management’s reasonable expectations and forecasts at the time of disclosure of the interim report. Any such statements are subject to risks and uncertainties, and a number of different factors of which many are beyond IC Group A/S’ control can mean that the actual development and actual result will differ significantly from the expectations contained in the interim report. Without being exhaustive, such factors include general economics and commercial factors, including market and competitive matters, supplier issues and financial issues. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

*This announcement is a translation from the Danish language. In the event of any discrepancy between the Danish and English versions, the Danish version shall prevail.*

# FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK million	Q2 2016/17 3 months	Q2 2015/16 3 months	H1 2016/17 6 months	H1 2015/16 6 months	Year 2015/16 12 months
<b>INCOME STATEMENT</b>					
Revenue	666	603	1,517	1,446	2,665
Gross profit	381	341	858	818	1,513
Operating profit before depreciation and amortization (EBITDA)	62	34	214	211	306
Operating profit (EBIT)	45	19	180	182	243
Net financials	(9)	(2)	(6)	-	(7)
Profit for the period before tax	36	14	174	183	247
Profit for the period of continuing operations	30	11	135	141	192
Profit for the period of discontinued operations	-	-	-	4	3
Profit for the period	30	11	135	145	195
<b>STATEMENT OF FINANCIAL POSITION</b>					
Total assets			1,597	1,836	1,444
Average invested capital including goodwill			824	785	736
Net working capital			470	336	314
Total equity			824	949	740
Net interest-bearing debt, end of period			107	69	25
<b>STATEMENT OF CASH FLOW</b>					
Cash flow from operating activities	256	246	37	125	183
Cash flow from investing activities	(21)	(22)	(40)	(36)	55
Investments in property, plant and equipment	(21)	(18)	(36)	(24)	(81)
Free cash flow	235	224	(3)	89	238
Cash flow from financing activities	(83)	(83)	(79)	(75)	(319)
Net cash flow for the period	152	141	(82)	14	(81)
<b>KEY RATIOS (%)</b>					
Revenue growth	10.4	0.8	4.9	1.4	1.0
Gross margin	57.2	56.6	56.6	56.6	56.8
Cost ratio	50.5	53.4	44.7	44.0	47.7
EBITDA margin	9.3	5.6	14.1	14.6	11.5
EBIT margin	6.8	3.2	11.9	12.6	9.1
Tax rate	16.7	21.4	22.4	23.0	22.2
Return on equity			17.3	15.4	23.5
Equity ratio			51.6	52.1	51.2
Return on invested capital <sup>1)</sup>			29.2	28.9	33.0
Net working capital in proportion to revenue <sup>2)</sup>			17.2	12.6	11.8
Cash conversion			-	0.6	1.0
Financial gearing			13.0	7.3	3.4
<b>SHARE-BASED RATIOS</b>					
Average number of shares excluding treasury shares, diluted (1,000)	16,779	16,640	16,762	16,611	16,678
Share price, end of period, DKK	148.0	252.0	148.0	252.0	172.0
Earnings per share, DKK	1.6	0.6	7.8	8.6	11.6
Diluted earnings per share, DKK	1.6	0.6	7.8	8.6	11.6
Diluted cash flow per share, DKK	15.3	(7.3)	2.2	3.7	11.0
Diluted net asset value per share, DKK	48.4	56.6	48.4	56.7	44.0
Diluted price/earnings, DKK	92.5	420.0	19.0	29.3	14.8
<b>EMPLOYEES</b>					
Number of employees (calculated as FTEs, end of period)			1,209	1,127	1,146
<b>NUMBER OF STORES (OWN STORES)</b>					
Retail stores			123	105	115
Concessions			42	42	42

1) Return on invested capital is calculated as trailing 12 months EBIT's share of invested capital.

2) Trailing 12 months revenue.

Key ratios have been calculated according to the recommendations set out in "Recommendations & Financial Ratios 2016" issued by the Danish Society of Financial Analysts.

# MATERIAL EVENTS

## New structure in IC Group

On 2 February 2017, the Board of Directors announced and initiated changes to the Group's structure with the purpose of increasing the independence of the Group's Premium brands – Peak Performance, Tiger of Sweden and By Malene Birger – to ensure a more efficient execution capability. As a consequence of this, Mads Ryder resigned as Group CEO whereas Peter Thorsen, who is a member of the Company's Board of Directors, took over the role as interim Group CEO.

The purpose of the initiated structural changes is to have the Group's Premium brands execute their strategies and exploit their full potentials better and faster.

The Group's centrally organized shared functions still form an essential role in the development of Group Premium brands, however, we wish to further optimize the organization of these functions and the way they facilitate the development of the Group Premium brands. The work of reassessing and restructuring these functions has been initiated, and changes will already take place during spring 2017, whereas the future management structure is expected to be determined at a board meeting before end July 2017.

The initiated structural changes will lead to non-recurring costs for the financial year 2016/17. These non-recurring costs are estimated to reach a level of approx. DKK 30 million. With effect from the financial year 2017/18, the planned changes are expected to lead to a earnings improvement of approx. DKK 30-40 million. However, the exact amount will depend on the implementation of the plan as well as negotiations with the different parties involved.

## Changes to the Board of Directors

For the purpose of renewal and adding further competences to the Board of Directors, Conny Kalcher and Jón Björnsson have been nominated as board candidates while Annette Brøndholt has requested to resign from the Board of Directors. Consequently, the Board of Directors will later today give notice of an extraordinary general meeting scheduled to be held on Wednesday 29 March 2017.

# FINANCIAL PERFORMANCE

## PeakPerformance

Peak Performance has its origin in alpine skiing and is one of the largest manufacturers of technical and functional sports and fashion wear in the Nordic region today. Learn more about Peak Performance at: [peakperformance.com](http://peakperformance.com)

### Financial performance of Peak Performance

Peak Performance generated revenue of DKK 267 million for Q2 2016/17 (DKK 219 million) corresponding to a growth rate of 21.9% (24.0% measured in local currency). Revenue from the wholesale channel increased to DKK 143 million (DKK 119 million) and was positively affected by approx. DKK 15 million due to delivery timing of products to certain customers between Q1 and Q2 2016/17. Revenue from the retail channel increased by 24.0% to DKK 124 million (DKK 100 million) driven by new stores, same-store growth in physical stores as well as high e-commerce growth.

Revenue for H1 2016/17 increased by DKK 53 million to DKK 615 million corresponding to a growth rate of 9.4% (10.7% measured in local currency) driven by the wholesale channel as well as new stores and e-commerce growth.

Peak Performance opened 8 new stores during Q2 2016/17, and no stores were closed. The same-store revenue increased by 16.4% driven by the positive development experienced in the physical stores as well as high e-commerce growth. Peak Performance opened a net amount of 7 stores during H1 2016/17. The same-store growth rate for H1 2016/17 amounted to 8.3% and was driven by e-commerce growth.

In the Nordic region revenue increases were reported for all markets during Q2 2016/17. Growth from Rest of Europe was mainly attributable to the Alps region. Revenue from outside Europe, which primarily derives from Canada, was at the same level as last financial year.

The gross margin for Q2 2016/17 was improved due to better margins on sold products which more than compensated the higher discounts for the period. Costs were at the same level as Q2 2015/16. However, the cost development was positively affected by timing differences between Q1 and Q2 in 2015/16 amounting to approx. DKK 8 million. After having adjusted for this positive timing effect, the cost ratio for Q2 2016/17 still declined.

The operating profit for Q2 2016/17 amounted to DKK 49 million (DKK 21 million). As a consequence of both the improved gross margin as well as cost ratio, the EBIT margin increased to 18.4% (9.6%). The operating profit for H1 2016/17 improved by DKK 12 million and, consequently, the EBIT margin increased by 0.4% to 18.0%. This development is attributable to revenue growth whereas both the gross margin as well as the cost ratio were at the same level as last financial year.

DKK million	Q2	Q2	Change, %	H1	H1	Change, %
	2016/17 3 months	2015/16 3 months		2016/17 6 months	2015/16 6 months	
Revenue	267	219	21.9	615	562	9.4
Wholesale and franchise	143	119	20.2	417	393	6.1
Retail, e-commerce and outlets	124	100	24.0	198	169	17.2
Revenue growth in local currency (%)	24.0			10.7		
Operating profit before depreciation and amortization (EBITDA)	53	25	112.0	120	107	12.1
EBITDA margin (%)	19.9	11.4		19.5	19.0	
Depreciations, amortization and impairment losses	(4)	(4)	-	(9)	(8)	12.5
<b>Operating profit (EBIT)</b>	<b>49</b>	<b>21</b>	<b>133.3</b>	<b>111</b>	<b>99</b>	<b>12.1</b>
EBIT margin (%)	18.4	9.6		18.0	17.6	

Own stores	Number of stores 31 Dec. 2016	Number of stores 31 Dec. 2015	Change
	Retail stores	46	
Concessions	1	1	-
<b>Total</b>	<b>47</b>	<b>35</b>	<b>12</b>



Tiger of Sweden is strongly rooted in the classic tailoring traditions, manufacturing fashion wear for men and women with a strong and confident profile characterized by "a different cut". Learn more about Tiger of Sweden: [tigerofsweden.com](http://tigerofsweden.com)

## Financial performance of Tiger of Sweden

Revenue in Tiger of Sweden increased by 0.9% (3.5% measured in local currency) for Q2 2016/17 and amounted to DKK 220 million compared to DKK 218 million in Q2 2015/16. Revenue from the wholesale channel declined by 4.9% which is attributable to lower in-season selling in Q2 2016/17 as well as the closure of 2 franchise stores during Q1 2016/17. In the retail channel the growth rate of 8.4% was driven by a positive effect from store openings as well as high e-commerce growth.

Tiger of Sweden generated revenue of DKK 509 million for H1 2016/17 corresponding to a growth rate of 2.8% (4.6% measured in local currency). Growth in the wholesale channel was driven by a positive effect of approx. DKK 18 million caused by a shift in deliveries as described in the interim report for Q1 2016/17. Growth in the retail channel was driven by new stores and e-commerce.

During Q2 2016/17, Tiger of Sweden opened yet another store in Berlin, Germany; this time located at the street Kurfürstendamm. One small outlet was closed during the same period. The same-store revenue increased by 7.6% which is attributable to the previously mentioned e-commerce growth whereas revenue from the physical stores declined marginally. During H1 2016/17, Tiger of Sweden opened a net amount of 1 store. The same-store revenue for H1 2016/17 was at the same level as last financial year.

Revenue from the Nordic region declined by 4.3% of which a part may be ascribed to the lower exchange rate of SEK compared to Q2 2015/16 since more than half of the brand's total revenue is realized in Sweden. Furthermore, the development in the Nordic region was negatively affected by lower in-season selling to the wholesale customers. Revenue from Rest of Europe increased by 44.0% primarily driven by a growth rate of 55.5% registered in the German market. Tiger of Sweden terminated its agency agreement for Germany, Austria and Switzerland as of 31 December 2016, and starting from 1 July 2017 the brand will assume control and the further development of these markets through its own sales set-up located in the region. In addition, Tiger of Sweden has also terminated its agency agreement covering Great Britain in order to continue developing this market through its own sales set-up.

The gross margin was improved compared to Q2 2015/16 which is primarily due to better margins on sold products which more than compensated the higher discounts for the period. The cost ratio increased as a consequence of store openings and other sales-related costs.

The operating profit for Q2 2016/17 amounted to DKK 6 million (DKK 7 million) compared to Q2 2015/16 corresponding to an EBIT margin of 2.7% (3.2%). The operating profit for H1 2016/17 improved marginally to DKK 61 million (DKK 60 million), and the EBIT margin was thus unchanged at approx. 12.0%. The improved gross margin compensated for the deteriorated cost ratio for the period.

DKK million	Q2	Q2	Change, %	H1	H1	Change, %
	2016/17 3 months	2015/16 3 months		2016/17 6 months	2015/16 6 months	
Revenue	220	218	0.9	509	495	2.8
Wholesale and franchise	117	123	(4.9)	311	308	1.0
Retail, e-commerce and outlets	103	95	8.4	198	187	5.9
Revenue growth in local currency (%)	3.5			4.6		
Operating profit before depreciation and amortization (EBITDA)	10	10	-	69	66	4.5
EBITDA margin (%)	4.5	4.6		13.6	13.3	
Depreciations, amortization and impairment losses	(4)	(3)	33.3	(8)	(6)	33.3
<b>Operating profit (EBIT)</b>	<b>6</b>	<b>7</b>	<b>(14.3)</b>	<b>61</b>	<b>60</b>	<b>1.7</b>
EBIT margin (%)	2.7	3.2		12.0	12.1	

Own stores	Number of stores 31 Dec. 2016	Number of stores 31 Dec. 2015	Change
	Retail stores	20	
Concessions	19	19	-
<b>Total</b>	<b>39</b>	<b>36</b>	<b>3</b>

## BY MALENE BIRGER

By Malene Birger is a Danish high-profile design brand with an international appeal offering affordable luxury to women. Learn more about By Malene Birger at: [bymalenebirger.com](http://bymalenebirger.com)

### Financial performance of By Malene Birger

Revenue for Q2 2016/17 increased by 1.3% (3.6% measured in local currency) to DKK 77 million (DKK 76 million). The wholesale revenue increased by 4.4% whereas the retail revenue declined by 3.2%. The revenue development in the retail channel was driven by poor performance in the physical stores which was not compensated by the considerably high growth reported in the e-commerce channel.

Revenue for H1 2016/17 declined by 2.2% (0.4% measured in local currency) to DKK 176 million (DKK 180 million) which is attributable to the negative development in the physical stores throughout the period.

During Q2 2016/17, By Malene Birger opened an outlet in Barkaby, in the outskirts of Stockholm, Sweden, and has in this way established an outlet capacity in the brand's second largest market. No stores were closed during Q2 2016/17. The same-store revenue increased by 4.5% which may be ascribed to the previously mentioned high e-commerce growth whereas revenue from the physical stores declined. During H1 2016/17, By Malene Birger opened a net amount of 1 store, and the same-store revenue declined by 3.6%.

Revenue from Denmark in Q2 2016/17 declined whereas the remaining Nordic countries reported an unchanged revenue level. Revenue from Rest of Europe increased by 18.8% which in particular was driven by growth in Great Britain, but also growth in the Benelux countries and Germany had an impact. Revenue from outside Europe declined due to lower revenue reported in Japan.

The gross margin was lower compared to Q2 2015/16 which is mainly attributable to higher discounts and a larger amount of returned products. Costs were at the same level as Q2 2015/16, and, consequently, the cost ratio improved marginally.

The operating profit for Q2 2016/17 amounted to DKK nil which is at the same level as last financial year. By Malene Birger generated an operating profit for H1 2016/17 of DKK 4 million (DKK 13 million) corresponding to an EBIT margin of 2.3% (7.2%). This development was driven by a lower gross margin for the period as well as higher costs for Q1 2016/17.

DKK million	Q2 2016/17 3 months	Q2 2015/16 3 months	Change, %	H1 2016/17 6 months	H1 2015/16 6 months	Change, %
Revenue	77	76	1.3	176	180	(2.2)
Wholesale and franchise	47	45	4.4	122	121	0.8
Retail, e-commerce and outlets	30	31	(3.2)	54	59	(8.5)
Revenue growth in local currency (%)	3.6			(0.4)		
Operating profit before depreciation and amortization (EBITDA)	2	1	100.0	8	16	(50.0)
EBITDA margin (%)	2.6	1.3		4.5	8.9	
Depreciations, amortization and impairment losses	(2)	(1)	100.0	(4)	(3)	33.3
<b>Operating profit (EBIT)</b>	-	-	-	<b>4</b>	<b>13</b>	<b>(69.2)</b>
EBIT margin (%)	-	-	-	2.3	7.2	-

Own stores	Number of stores 31 Dec. 2016	Number of stores 31 Dec. 2015	Change
Retail stores	10	9	1
Concessions	6	7	(1)
<b>Total</b>	<b>16</b>	<b>16</b>	<b>-</b>



## The Group

### Revenue

Consolidated revenue for Q2 2016/17 increased by DKK 63 million to DKK 666 million corresponding to a growth rate of 10.4% (12.5% measured in local currency) primarily driven by Peak Performance.

Growth from the wholesale channel was positively affected by timing effects amounting to approx. DKK 15 million as described under Peak Performance whereas growth in the retail channel was driven by new stores and high e-commerce growth. The same-store revenue from the physical stores was at the same level as Q2 2015/16 whereas the total same-store revenue increased by 8.0% attributable to e-commerce.

Revenue from the Group's Other brands increased by 6.4% (6.5% measured in local currency) to DKK 100 million for Q2 2016/17 (DKK 94 million). As was the case in Q1 2016/17, growth was primarily driven by higher wholesale revenue from Designers Remix. Saint Tropez reported a marginal revenue increase.

Consolidated revenue for H1 2016/17 amounted to DKK 1,517 million (DKK 1,446 million) corresponding to a growth rate of 4.9% (6.3% measured in local currency). Growth was realized in both the wholesale channel as well as in the retail channel where high e-commerce growth and new stores contributed. In total, The Group opened a net amount of 8 stores in H1 2016/17 compared to 6 stores for H1 2015/16. The same-store revenue for H1 2016/17 increased by 1.3% compared to the same period last financial year.

Unallocated items and eliminations comprise non-brand-related revenue, including sale of fabrics, and amounted to DKK 2 million for both H1 2016/17 and H1 2015/16. Q2 2015/16 was negatively affected by a re-classification amounting to DKK 6 million.

### Gross margin

The gross margin for Q2 2016/17 improved by 0.6 percentage points to 57.2%, and the gross profit amounted to DKK 381 million (DKK 341 million). This improvement is attributable to lower inventory write-downs as well as the initiatives implemented to improve the margins on the Group's products. To the contrary effect, higher discounts and longer clearance sales periods in Q2 2016/17 had a dilutive effect on the period.

The gross profit for H1 2016/17 amounted to DKK 858 million (DKK 818 million), and the gross margin was unchanged compared to last financial year. The gross profit for Q1 2015/16 was positively affected by DKK 3 million due to reversed provisions in relation to the case concerning indirect taxes. After having adjusted for this, the gross margin for H1 2016/17 was marginally improved.

### Capacity costs

Capacity costs increased by DKK 14 million to DKK 336 million in Q2 2016/17, and the cost ratio improved by 2.9 percentage points to 50.5%. However, costs for Q2 2015/16 were negatively affected by approx. DKK 8 million due to timing differences between Q1 and Q2 in 2015/16. After having adjusted for this, costs for Q2 2016/17 increased by DKK 22 million of which the main part is attributable to sales-related costs – including DKK 14 million for new stores opened during 2015/16 as well as 2016/17.

Costs for H1 2016/17 amounted to DKK 678 million which is an increase of DKK 42 million. The cost ratio was improved by 0.7 percentage points to 44.7%. After having adjusted for non-recurring effects for H1 2016/17 as well as H1 2015/16, the costs still increased DKK 42 million. This increase was mainly driven by sales-related costs – primarily for new stores.

### Operating profit (EBIT)

Consolidated operating profit for Q2 2016/17 amounted to DKK 45 million compared to DKK 19 million for Q2 2015/16 corresponding to an EBIT margin of 6.8% compared to 3.2% for the same period last financial year – an improvement attributable to a higher gross margin as well as a lower cost ratio.

Consolidated operating profit for H1 2016/17 amounted to DKK 180 million (DKK 182 million), and the EBIT margin declined to 11.9% (12.6%) as a consequence of a higher cost ratio which in particular is attributable to the negative revenue development in the physical stores where costs are to a large degree fixed irrespective of the revenue volume.

### Profit for the period

Consolidated profit for Q2 2016/17 amounted to 30 million (DKK 11 million) whereas the consolidated profit for H1 2016/17 amounted to DKK 135 million (DKK 145 million).

### Net working capital

The working capital amounted to DKK 470 million corresponding to an increase of DKK 134 million compared to 2015/16, primarily driven by higher inventories as a consequence of products for new stores, higher levels of products on stock as well as lower than expected sales. Furthermore, trade receivables increased as a consequence of improved sales in November and December, just as the timing of trade payables had a negative impact. The working capital constituted 17.2% of the trailing twelve months revenue compared to 12.6% for the same period last financial year.

### Statement of cash flows

Cash flow from operating activities for H1 2016/17 amounted to an inflow of DKK 37 million which is DKK 88 million lower compared to the same period last financial year which is attributable to a higher tied-up working capital. Cash flow from investing activities amounted to an outflow of DKK 40 million (an outflow of DKK 36 million). Investments have been placed in both existing and new stores as well as IT. Consolidated free cash flow thus amounted to an outflow of DKK 3 million (an inflow of DKK 89 million).

### Changes in equity and equity ratio

Equity as at 31 December 2016 amounted to DKK 824 million (30 June 2016: DKK 740 million). This increase was driven by profit for the period as well as other comprehensive income which was partly offset by the paid dividend of DKK 85 million. Subsequently, the equity ratio as at 31 December 2016 amounted to 51.6% (30 June 2016: 51.2%).

# CONSOLIDATED INCOME STATEMENT

Note	DKK million	Q2 2016/17 3 months	Q2 2015/16 3 months	H1 2016/17 6 months	H1 2015/16 6 months	Year 2015/16 12 months
<b>4</b>	<b>Revenue</b>	<b>666</b>	<b>603</b>	<b>1,517</b>	<b>1,446</b>	<b>2,665</b>
	Cost of sales	(285)	(262)	(659)	(628)	(1,152)
	<b>Gross profit</b>	<b>381</b>	<b>341</b>	<b>858</b>	<b>818</b>	<b>1,513</b>
	Other external costs	(160)	(155)	(332)	(316)	(626)
	Staff costs	(159)	(153)	(312)	(293)	(587)
	Other operating income	-	1	-	2	6
	<b>Operating profit before depreciation and amortization (EBITDA)</b>	<b>62</b>	<b>34</b>	<b>214</b>	<b>211</b>	<b>306</b>
	Depreciation, amortization and impairment losses	(17)	(15)	(34)	(29)	(63)
	<b>Operating profit (EBIT)</b>	<b>45</b>	<b>19</b>	<b>180</b>	<b>182</b>	<b>243</b>
	Income from investments in associates	-	(3)	-	1	11
	Financial income	1	5	2	9	9
	Financial costs	(10)	(7)	(8)	(9)	(16)
	<b>Profit before tax of continuing operations</b>	<b>36</b>	<b>14</b>	<b>174</b>	<b>183</b>	<b>247</b>
	Tax on profit for the period of continuing operations	(6)	(3)	(39)	(42)	(55)
	<b>Profit for the period of continuing operations</b>	<b>30</b>	<b>11</b>	<b>135</b>	<b>141</b>	<b>192</b>
	Profit for the period of discontinued operations*	-	-	-	4	3
	<b>Profit for the period</b>	<b>30</b>	<b>11</b>	<b>135</b>	<b>145</b>	<b>195</b>
	Profit allocation:					
	Shareholders of IC Group A/S	26	10	130	143	193
	Non-controlling interests	4	1	5	2	2
	<b>Profit for the period</b>	<b>30</b>	<b>11</b>	<b>135</b>	<b>145</b>	<b>195</b>
	Earnings per share, DKK	1.6	0.6	7.8	8.6	11.6
	Diluted earnings per share, DKK	1.6	0.6	7.8	8.6	11.6
	Earnings per share of continuing operations, DKK	1.6	0.6	7.8	8.4	11.4
	Diluted earnings per share of continuing operations, DKK	1.6	0.6	7.8	8.4	11.4

\*H1 2015/16: Income of DKK 4 million and costs of DKK 0 million; 2015/16: Income of DKK 4 million and costs of DKK 1 million.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	DKK million	Q2 2016/17 3 months	Q2 2015/16 3 months	H1 2016/17 6 months	H1 2015/16 6 months	Year 2015/16 12 months
	<b>Profit for the period</b>	<b>30</b>	<b>11</b>	<b>135</b>	<b>145</b>	<b>195</b>
	<b>OTHER COMPREHENSIVE INCOME</b>					
	<i>Items to be reclassified to the income statement when certain conditions are met:</i>					
	Other comprehensive income from associates	-	-	-	-	(2)
	<i>Hedging transactions:</i>					
	Fair value adjustments, gain/loss on financial instruments related to cash flow hedges	43	6	47	34	27
	Reclassification to income statement, gains/loss on financial instruments related to realized cash flow hedges	1	(26)	(13)	(61)	(61)
	Tax on hedging transactions which may be reclassified to the income statement	(10)	5	(8)	6	7
	<i>Foreign currency translation adjustments:</i>					
	Foreign currency translation adjustments, foreign subsidiaries and intercompany loans	9	11	4	(2)	(9)
	<b>Other comprehensive income after tax</b>	<b>43</b>	<b>(4)</b>	<b>30</b>	<b>(23)</b>	<b>(38)</b>
	<b>Total comprehensive income</b>	<b>73</b>	<b>7</b>	<b>165</b>	<b>122</b>	<b>157</b>
	<b>Allocation of comprehensive income for the period:</b>					
	Shareholders of IC Group A/S	69	6	160	120	155
	Non-controlling interests	4	1	5	2	2
	<b>Total</b>	<b>73</b>	<b>7</b>	<b>165</b>	<b>122</b>	<b>157</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	DKK million	31 Dec. 2016	31 Dec. 2015	30 June 2016
	<b>ASSETS</b>			
	<b>NON-CURRENT ASSETS</b>			
	Intangible assets	255	270	260
	Property, plant and equipment	144	105	134
	Investments in associates	-	116	-
	Financial assets	21	37	24
	Deferred tax	51	55	58
	<b>Total non-current assets</b>	<b>471</b>	<b>583</b>	<b>476</b>
	<b>CURRENT ASSETS</b>			
5	Inventories	437	377	425
6	Trade receivables	371	316	284
	Tax receivable	74	78	57
	Other receivables	80	82	33
	Prepayments	85	74	85
7	Cash and cash equivalents	79	179	84
		<b>1,126</b>	<b>1,106</b>	<b>968</b>
	Assets held-for-sale	-	147	-
	<b>Total current assets</b>	<b>1,126</b>	<b>1,253</b>	<b>968</b>
	<b>TOTAL ASSETS</b>	<b>1,597</b>	<b>1,836</b>	<b>1,444</b>

Note	DKK million	31 Dec. 2016	31 Dec. 2015	30 June 2016
	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	Share capital	171	171	171
	Reserve for hedging transactions	40	20	14
	Translation reserve	(58)	(55)	(62)
	Retained earnings	659	806	610
	<b>Equity attributable to shareholders of the Parent Company</b>	<b>812</b>	<b>942</b>	<b>733</b>
	<b>Equity attributable to non-controlling interests</b>	<b>12</b>	<b>7</b>	<b>7</b>
	<b>Total equity</b>	<b>824</b>	<b>949</b>	<b>740</b>
	<b>LIABILITIES</b>			
	Retirement benefit obligations	9	8	9
	Deferred tax	16	36	12
	Provisions	7	5	6
	<b>Total non-current liabilities</b>	<b>32</b>	<b>49</b>	<b>27</b>
7	Current liabilities to credit institutions	186	108	109
	Trade payables	243	277	317
	Tax payable	70	69	52
	Other liabilities	205	201	178
	Provisions	37	43	21
		<b>741</b>	<b>698</b>	<b>677</b>
	Liabilities concerning assets held-for-sale	-	140	-
	<b>Total current liabilities</b>	<b>741</b>	<b>838</b>	<b>677</b>
	<b>Total liabilities</b>	<b>773</b>	<b>887</b>	<b>704</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,597</b>	<b>1,836</b>	<b>1,444</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK million	Share Capital	Reserve for hedging transactions	Translation reserve	Retained earnings	Proposed dividend	Equity owned by shareholders of ICG A/S	Equity owned by non-controlling interests	Total equity
<b>Equity at 1 July 2016</b>	171	14	(62)	525	85	733	7	740
Profit for the period	-	-	-	130	-	130	5	135
Other comprehensive income after tax	-	26	4	-	-	30	-	30
<b>Total comprehensive income</b>	-	26	4	130	-	160	5	165
<b>Transactions with owners:</b>								
Dividend of treasury shares	-	-	-	-	(2)	(2)	-	(2)
Dividend paid	-	-	-	-	(83)	(83)	-	(83)
Exercise of warrants <sup>1)</sup>	-	-	-	4	-	4	-	4
<b>Changes in equity during the period</b>	-	26	4	134	(85)	79	5	84
<b>Equity at 31 December 2016</b>	171	40	(58)	659	-	812	12	824

DKK million	Share Capital	Reserve for hedging transactions	Translation reserve	Retained earnings	Proposed dividend	Equity owned by shareholders of ICG A/S	Equity owned by non-controlling interests	Total equity
<b>Equity at 1 July 2015</b>	170	41	(53)	653	68	879	5	884
Profit for the period	-	-	-	143	-	143	2	145
Other comprehensive income after tax	-	(21)	(2)	-	-	(23)	-	(23)
<b>Total comprehensive income</b>	-	(21)	(2)	143	-	120	2	122
<b>Transactions with owners:</b>								
Reclassification	-	-	-	2	(2)	-	-	-
Dividend paid	-	-	-	-	(66)	(66)	-	(66)
Share-based payments	-	-	-	1	-	1	-	1
Exercise of share options and warrants	1	-	-	7	-	8	-	8
<b>Changes in equity during the period</b>	1	(21)	(2)	153	(68)	63	2	65
<b>Equity at 31 December 2015</b>	171	20	(55)	806	-	942	7	949

DKK million	Shares
<b>DEVELOPMENT IN TREASURY SHARES</b>	
Treasury shares at 1 July 2016	442,572
<b>Treasury shares at 31 December 2016</b>	<b>442,572</b>

- 1) As announced in Company Announcement no. 17/2016, the Company's share capital was increased by DKK 346,110 due to exercise of warrants. The capital increase corresponds to 0.2% of the share capital. After the capital increase, IC Group A/S' share capital amounts to nominally DKK 170,908,580.

In October 2016, the Company distributed an ordinary dividend of approx. DKK 85 million (DKK 68 million) corresponding to DKK 5 per share (DKK 4 per share).

Pursuant to the authorization in the Remuneration Policy, the Board of Directors of IC Group A/S decided in October 2016 to initiate a programme granting performance shares to members of the Group's Global Management Team as well as other selected executives. The programme is offered to a total number of 29 participants. The total number of performance shares granted under the programme may vary from 0 to 79,901. Please see Company Announcement no. 22/2016 for further information.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Note	DKK million	Q2 2016/17 3 months	Q2 2015/16 3 months	H1 2016/17 6 months	H1 2015/16 6 months	Year 2015/16 12 months
	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
	Operating profit, continuing operations	45	19	180	182	243
	Operating profit, discontinued operations	-	-	-	4	3
	<b>Operating profit</b>	<b>45</b>	<b>19</b>	<b>180</b>	<b>186</b>	<b>246</b>
	Other adjustments	19	15	51	47	66
	Change in working capital	210	237	(157)	(70)	(61)
	<b>Cash flow from ordinary operating activities</b>	<b>274</b>	<b>271</b>	<b>74</b>	<b>163</b>	<b>251</b>
	Financial income received	1	-	2	2	3
	Financial costs paid	(2)	(5)	(3)	(6)	(6)
	<b>Cash flow from operating activities</b>	<b>273</b>	<b>266</b>	<b>73</b>	<b>159</b>	<b>248</b>
	Tax paid	(17)	(20)	(36)	(34)	(65)
	<b>Total cash flow from operating activities</b>	<b>256</b>	<b>246</b>	<b>37</b>	<b>125</b>	<b>183</b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
	Investments in intangible assets	-	(4)	(6)	(13)	(10)
	Investments in property, plant and equipment	(21)	(18)	(36)	(24)	(81)
	Sale of activities and associates	-	-	-	-	144
	Change in other financial assets	-	-	2	1	2
	<b>Total cash flow from investing activities</b>	<b>(21)</b>	<b>(22)</b>	<b>(40)</b>	<b>(36)</b>	<b>55</b>
	<b>Total free cash flow</b>	<b>235</b>	<b>224</b>	<b>(3)</b>	<b>89</b>	<b>238</b>
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
	Repayment on non-current liabilities	-	(17)	-	(17)	(17)
	Dividends paid	(83)	(66)	(83)	(66)	(310)
	Exercise of share options and warrants	-	-	4	8	8
	<b>Total cash flow from financing activities</b>	<b>(83)</b>	<b>(83)</b>	<b>(79)</b>	<b>(75)</b>	<b>(319)</b>
	<b>NET CASH FLOW FOR THE PERIOD</b>	<b>152</b>	<b>141</b>	<b>(82)</b>	<b>14</b>	<b>(81)</b>
	<b>CASH AND CASH EQUIVALENTS</b>					
	Cash and cash equivalents, beginning of period	(259)	(69)	(25)	58	58
	Foreign currency translation adjustment of cash and cash equivalents	-	(1)	-	(1)	(2)
	Net cash flow for the period	152	141	(82)	14	(81)
	<b>Cash and cash equivalents, end of period</b>	<b>(107)</b>	<b>71</b>	<b>(107)</b>	<b>71</b>	<b>(25)</b>

DKK million	31 Dec. 2016	31 Dec. 2015	30 June 2016
<i>Cash and cash equivalents in the statement of cash flows comprise:</i>			
Cash	79	179	84
Current liabilities to credit institutions	(186)	(108)	(109)
<b>Cash and cash equivalents, cf. statement of cash flows</b>	<b>(107)</b>	<b>71</b>	<b>(25)</b>

# NOTES

## 1. Accounting policies

This interim financial report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

The accounting policies applied in this interim report are unchanged as compared to the accounting policies applied in the Annual Report 2015/16 and are in accordance with the International Financial Reporting Standard (IFRS) as adopted by the EU. We refer to the Annual Report 2015/16 (chapter 1) for a detailed description of the accounting policies. A number of reclassifications and adjustments of the comparative figures have been made.

IC Group has implemented all new and amended standards (IFRS) and interpretations (IFRIC) as endorsed by the EU and which are effective for the financial year 1 July 2016 – 30 June 2017. This implementation has had no impact on the recognition and measurement of the Group's assets and liabilities.

### Significant accounting estimates and assumptions

In the preparation of this interim report, the Management of IC Group makes a number of significant accounting estimates and assumptions that may affect the reported values of assets, liabilities, income, costs, cash flows and related information at the reporting date. The accounting estimates and assumptions which Management considers to be material for the preparation and understanding of the interim report appear from chapter 1 of the Annual Report 2015/16 and relate to, e.g., intangible assets, inventories, trade receivables and tax.

## 2. Seasonality

The Group's business segments are influenced by seasonal fluctuations relating to seasonal deliveries to wholesale customers as well as a sales season of the Group's products that varies during the course of the year in the retail segment. The Group's wholesale peak quarters are historically Q1 and Q3, respectively. Revenue and operating profit before tax thus vary in the various reporting periods for which reason they are not necessarily indicative of future trends. The results of the individual quarters are therefore not reliable sources in terms of projecting the Group's development.

## 3. Fair value measurement

Financial instruments measured at fair value in the statement of financial position are divided into three levels in the fair value hierarchy:

- **Level 1** – Listed prices in an active market for identical instruments
- **Level 2** – Listed prices in an active market for identical assets and liabilities or other methods of measurement where all substantial inputs are based on market observables
- **Level 3** – Method of measurement where substantial inputs may not be based on market observables

DKK million		31 Dec. 2016		31 Dec. 2015		30 June 2016	
	Item	Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
Unlisted shares and bonds	Financial assets	-	7	-	7	-	7
Derivative financial instruments (trading portfolio)	Financial assets	-	-	-	14	-	-
<b>Financial assets at fair value recognized through the income statement</b>		-	7	-	21	-	7
Financial assets used for hedging purposes	Other receivables	67	-	46	-	20	-
Financial liabilities used for hedging purposes	Other liabilities	13	-	11	-	1	-

No transfers between the levels of the fair value hierarchy have taken place during H1 2016/17.

## 4. Segment information

### Business segments

Reporting to the Executive Board, which is considered to be the Chief Operating Decision Maker, is based on the Group's three core business units; Peak Performance, Tiger of Sweden and By Malene Birger. Other brands comprise Saint Tropez and Designers Remix.

### Unallocated items and eliminations

In all material respects, "Unallocated items and eliminations" include;

- income and costs in Group functions which are not allocated to the Group's business segments;
- intercompany eliminations; and
- any differences arising between costs invoiced to Group brands and realized costs in the Group's Premium service functions.

DKK million	Peak Performance Q2 2016/17 3 months	Tiger of Sweden Q2 2016/17 3 months	By Malene Birger Q2 2016/17 3 months	Premium brands Q2 2016/17 3 months	Other brands Q2 2016/17 3 months	Total Q2 2016/17 3 months
<b>Total revenue</b>	<b>267</b>	<b>220</b>	<b>77</b>	<b>564</b>	<b>100</b>	<b>664</b>
Wholesale and franchise	143	117	47	307	52	359
Retail, e-commerce and outlets	124	103	30	257	48	305
Growth compared to 2015/16 (%)	21.9	0.9	1.3	9.9	6.4	9.4
Growth in local currency compared to 2015/16 (%)	24.0	3.5	3.6	12.3	6.5	11.4
Operating profit before depreciation and amortization (EBITDA)	53	10	2	65	5	70
EBITDA margin (%)	19.9	4.5	2.6	11.5	5.0	10.5
Depreciations, amortization and impairment losses	(4)	(4)	(2)	(10)	(1)	(11)
<b>Operating profit (EBIT)</b>	<b>49</b>	<b>6</b>	<b>-</b>	<b>55</b>	<b>4</b>	<b>59</b>
EBIT margin (%)	18.4	2.7	-	9.8	4.0	8.9
<b>Reconciliation of segment information of continuing operations</b>						
Operating profit (EBIT), reportable segments						59
Unallocated items and eliminations						(14)
<b>Operating profit (EBIT)</b>						<b>45</b>
Financial income						1
Financial costs						(10)
<b>Profit before tax</b>						<b>36</b>
Tax on profit for the period						(6)
<b>Profit for the period</b>						<b>30</b>

DKK million	Peak Performance Q2 2015/16 3 months	Tiger of Sweden Q2 2015/16 3 months	By Malene Birger Q2 2015/16 3 months	Premium brands Q2 2015/16 3 months	Other brands Q2 2015/16 3 months	Total Q2 2015/16 3 months
<b>Total revenue</b>	<b>219</b>	<b>218</b>	<b>76</b>	<b>513</b>	<b>94</b>	<b>607</b>
Wholesale and franchise	119	123	45	287	45	332
Retail, e-commerce and outlets	100	95	31	226	49	275
Operating profit before depreciation and amortization (EBITDA)	25	10	1	36	6	42
EBITDA margin (%)	11.4	4.6	1.3	7.0	6.4	6.9
Depreciations, amortization and impairment losses	(4)	(3)	(1)	(8)	(2)	(10)
<b>Operating profit (EBIT)</b>	<b>21</b>	<b>7</b>	<b>-</b>	<b>28</b>	<b>4</b>	<b>32</b>
EBIT margin (%)	9.6	3.2	-	5.5	4.3	5.3
<b>Reconciliation of segment information of continuing operations</b>						
Operating profit (EBIT), reportable segments						32
Unallocated items and eliminations						(13)
<b>Operating profit (EBIT)</b>						<b>19</b>
Income from investments in associates						(3)
Financial income						5
Financial costs						(7)
<b>Profit before tax</b>						<b>14</b>
Tax on profit for the period						(3)
<b>Profit for the period</b>						<b>11</b>



	Peak Performance H1 2016/17 6 months	Tiger of Sweden H1 2016/17 6 months	By Malene Birger H1 2016/17 6 months	Premium brands H1 2016/17 6 months	Other brands H1 2016/17 6 months	Total H1 2016/17 6 months
<b>DKK million</b>						
<b>Total revenue</b>	<b>615</b>	<b>509</b>	<b>176</b>	<b>1,300</b>	<b>215</b>	<b>1,515</b>
Wholesale and franchise	417	311	122	850	119	969
Retail, e-commerce and outlets	198	198	54	450	96	546
Growth compared to 2015/16 (%)	9.4	2.8	(2.2)	5.1	3.9	4.9
Growth in local currency compared to 2015/16 (%)	10.7	4.6	(0.4)	6.7	4.0	6.3
Operating profit before depreciation and amortization (EBITDA)	120	69	8	197	20	217
EBITDA margin (%)	19.5	13.6	4.5	15.2	9.3	14.3
Depreciations, amortization and impairment losses	(9)	(8)	(4)	(21)	(3)	(24)
<b>Operating profit (EBIT)</b>	<b>111</b>	<b>61</b>	<b>4</b>	<b>176</b>	<b>17</b>	<b>193</b>
EBIT margin (%)	18.0	12.0	2.3	13.5	7.9	12.7
<b>Reconciliation of segment information of continuing operations</b>						
Operating profit (EBIT), reportable segments						193
Unallocated items and eliminations						(13)
<b>Operating profit (EBIT)</b>						<b>180</b>
Income from investments in associates						-
Financial income						2
Financial costs						(8)
<b>Profit before tax</b>						<b>174</b>
Tax on profit for the period						(39)
<b>Profit for the period</b>						<b>135</b>

	Peak Performance H1 2015/16 6 months	Tiger of Sweden H1 2015/16 6 months	By Malene Birger H1 2015/16 6 months	Premium brands H1 2015/16 6 months	Other brands H1 2015/16 6 months	Total H1 2015/16 6 months
<b>DKK million</b>						
<b>Total revenue</b>	<b>562</b>	<b>495</b>	<b>180</b>	<b>1,237</b>	<b>207</b>	<b>1,444</b>
Wholesale and franchise	393	308	121	822	110	932
Retail, e-commerce and outlets	169	187	59	415	97	512
Operating profit before depreciation and amortization (EBITDA)	107	66	16	189	18	207
EBITDA margin (%)	19.0	13.3	8.9	15.3	8.7	14.3
Depreciations, amortization and impairment losses	(8)	(6)	(3)	(17)	(4)	(21)
<b>Operating profit (EBIT)</b>	<b>99</b>	<b>60</b>	<b>13</b>	<b>172</b>	<b>14</b>	<b>186</b>
EBIT margin (%)	17.6	12.1	7.2	13.9	6.8	12.9
<b>Reconciliation of segment information of continuing operations</b>						
Operating profit (EBIT), reportable segments						186
Unallocated items and eliminations						(4)
<b>Operating profit (EBIT)</b>						<b>182</b>
Income from investments in associates						1
Financial income						9
Financial costs						(9)
<b>Profit before tax</b>						<b>183</b>
Tax on profit for the period						(42)
<b>Profit for the period</b>						<b>141</b>

	Q2 2016/17 3 months	Q2 2015/16 3 months	H1 2016/17 6 months	H1 2015/16 6 months
<b>DKK million</b>				
<b>Segment revenue (reportable segments)</b>	<b>664</b>	<b>607</b>	<b>1,515</b>	<b>1,444</b>
Unallocated items and eliminations	2	(4)	2	2
<b>Total revenue, cf. income statement</b>	<b>666</b>	<b>603</b>	<b>1,517</b>	<b>1,446</b>

## 5. Inventories

DKK million	31 Dec. 2016	31 Dec. 2015	30 June 2016
Raw material and consumables	56	47	54
Finished goods and goods for resale	344	290	295
Goods in transit	93	95	133
<b>Total inventories, gross</b>	<b>493</b>	<b>432</b>	<b>482</b>
<b>Changes in inventory write-downs for the period:</b>			
<b>Write-downs at 1 July</b>	<b>57</b>	<b>53</b>	<b>53</b>
Write-downs for the period, addition	15	16	30
Write-downs for the period, reversals	(16)	(14)	(26)
<b>Total inventory write-downs</b>	<b>56</b>	<b>55</b>	<b>57</b>
<b>Total inventories, net</b>	<b>437</b>	<b>377</b>	<b>425</b>
<b>Write-downs (%)</b>	<b>11</b>	<b>13</b>	<b>12</b>

## 6. Trade receivables

DKK million	31 Dec. 2016	31 Dec. 2015	30 June 2016
Not yet due	280	241	226
Due, 1-60 days	68	52	36
Due, 61-120 days	5	4	6
Due more than 120 days	18	19	16
<b>Total trade receivables, net</b>	<b>371</b>	<b>316</b>	<b>284</b>
<b>Change in trade receivables write-downs for the period:</b>			
<b>Write-downs at 1 July</b>	<b>26</b>	<b>39</b>	<b>39</b>
Change in write-downs for the period	5	3	2
Realized loss for the period	(1)	(13)	(15)
<b>Total write-downs</b>	<b>30</b>	<b>29</b>	<b>26</b>

## 7. Net interest-bearing debt

DKK million	31 Dec. 2016	31 Dec. 2015	30 June 2016
<b>Net interest-bearing debt comprises:</b>			
Current liabilities to credit institutions	186	108	109
Liabilities concerning assets held-for-sale	-	140	-
<b>Interest-bearing debt, gross</b>	<b>186</b>	<b>248</b>	<b>109</b>
Cash	79	179	84
<b>Net interest-bearing debt</b>	<b>107</b>	<b>69</b>	<b>25</b>

## 8. Related parties

As at 31 December 2016, the Group accepted a loan from one of its executives amounting to DKK 2 million (DKK nil). Besides this, no transactions with the Board of Directors, the Executive Board and other executives have taken place other than payment of ordinary remuneration.

## 9. Events after the reporting period

No material events have taken place after the reporting period that have not been recognized or otherwise included in this interim report. Furthermore, we refer to the section "Material events" in the Management Commentary.

# STATEMENT BY THE MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the interim report of IC Group A/S for the period 1 July 2016 – 31 December 2016. This interim financial report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU, cf. chapter on accounting policies and additional Danish disclosure requirements for interim reports of listed companies. This interim report is unaudited and has not been reviewed by the Group's auditors.

In our opinion, we consider the applied accounting policies to be appropriate to the effect that this interim report gives a true and fair view of the Group's assets, liabilities and financial position at 31 December 2016 and of the results of the Group's operations and cash flows for the period 1 July 2016 – 31 December 2016.

Furthermore, we consider the Management Commentary (on page 1-9) to give a true and fair review of the development of the Group's operations and financial affairs, profit for the period and of the Group's financial position for the period as a whole as well as a description of the most significant risks and uncertainty factors that the Group is facing.

Apart from the information set out in this interim report, there have been no changes to the Group's significant risks and uncertainties that have not been disclosed in the Annual Report 2015/16.

Copenhagen, 28 February 2017

The Executive Board:

PETER THORSEN  
Interim Group CEO

ALEXANDER MARTENSEN-LARSEN  
Group CFO

The Board of Directors:

HENRIK HEIDEBY  
Chairman

ANDERS COLDING FRIIS  
Deputy Chairman

NIELS ERIK MARTINSEN  
Deputy Chairman

ANNETTE BRØNDHOLT SØRENSEN  
Board member

MICHAEL HAUGE SØRENSEN  
Board member

PETER THORSEN  
Board member

# CORPORATE INFORMATION

## IC GROUP'S CORPORATE INFORMATION

<b>Share capital</b>	170,908,580	<b>Address</b>	IC Group A/S
<b>Number of shares</b>	17,090,858		12 Adelgade
<b>Share class</b>	One class		1304 Copenhagen K
<b>ISIN code</b>	DK0010221803		Denmark
<b>Business Reg. No. (CVR)</b>	62816414		Phone: +45 32 66 77 88
			Fax: +45 32 66 77 03
<b>Reuter ticker</b>	IC.CO		E-mail: <a href="mailto:info@icgroup.net">info@icgroup.net</a>
<b>Bloomberg ticker</b>	IC DC		Homepage: <a href="http://icgroup.net">icgroup.net</a>

## SUPPLEMENTARY GROUP AND SEGMENT DATA

The announced financial figures and supplementary Group and segment data are available on the corporate website at: <http://www.icgroup.net/investors/results-reports/quarterly-data-file/>

## FINANCIAL CALENDAR



17 May  
2017



31 August  
2017

## INVESTOR RELATIONS CONTACT

Jens Bak-Holder	Phone: +45 21 28 58 32
Head of Investor Relations	E-mail: <a href="mailto:jeba@icgroup.net">jeba@icgroup.net</a>