

# INTERIM REPORT FOR THE PERIOD 1 JULY 2016 TO 30 SEPTEMBER 2016

Consolidated revenue for Q1 2016/17 amounted to DKK 851 million (DKK 843 million) corresponding to a growth rate of 0.9% or 1.8% measured in local currency. During Q1 2016/17, the Group experienced low traffic in its physical stores across all Group brands, and consequently, the same-store<sup>1</sup> revenue declined by 6.6%. The gross margin was 56.1% compared to 56.5% for the same period last financial year. Costs rose by DKK 28 million of which the main part is attributable to sales-related costs. The consolidated operating profit for Q1 2016/17 amounted to DKK 135 million (DKK 163 million), and the EBIT margin thus amounted to 15.9% compared to 19.3% for Q1 2015/16.

We still expect to realize a revenue growth rate measured in local currency of at least 6%. However, the EBIT margin is now expected to attain a level of 8-9% (previously: approx. 9%) due to the risk of a challenging retail climate for the remainder of the financial year.

## Financial Performance Q1

	Revenue DKK million		Revenue growth		Operating profit DKK million		EBIT margin	
	Q1 2016/17	Q1 2015/16	Growth in local currency	Reported growth	Q1 2016/17	Q1 2015/16	Q1 2016/17	Q1 2015/16
Peak Performance	348	343	2.2%	1.5%	62	78	17.8%	22.7%
Tiger of Sweden	289	277	5.5%	4.3%	55	53	19.0%	19.1%
By Malene Birger	99	104	(3.4%)	(4.8%)	4	13	4.0%	12.5%
<b>Premium brands</b>	<b>736</b>	<b>724</b>	<b>2.7%</b>	<b>1.7%</b>	<b>121</b>	<b>144</b>	<b>16.4%</b>	<b>19.9%</b>
Other brands	115	113	2.0%	1.8%	13	10	11.3%	8.8%
<b>Reportable segments</b>	<b>851</b>	<b>837</b>	<b>2.6%</b>	<b>1.7%</b>	<b>134</b>	<b>154</b>	<b>15.7%</b>	<b>18.4%</b>
Unallocated items and eliminations	-	6	n.m	n.m	1	9	n.m	n.m
<b>Total</b>	<b>851</b>	<b>843</b>	<b>1.8%</b>	<b>0.9%</b>	<b>135</b>	<b>163</b>	<b>15.9%</b>	<b>19.3%</b>

### By segment:

- Peak Performance generated revenue for Q1 2016/17 of DKK 348 million (DKK 343 million) corresponding to a growth rate of 1.5% (2.2% measured in local currency). This increase was driven by continued e-commerce growth as well as the impact from new stores opened during the financial year 2015/16. However, timing effects had a negative impact on revenue by approx. DKK 15 million. The operating profit amounted to DKK 62 million (DKK 78 million) corresponding to an EBIT margin of 17.8% (22.7%). The reduced profit is primarily attributable to higher sales-related costs, including costs for new stores. The operating profit for Q1 2015/16 was positively affected by timing effects of DKK 8 million.
- Tiger of Sweden generated revenue for Q1 2016/17 of DKK 289 million (DKK 277 million) corresponding to an increase of 4.3% (5.5% measured in local currency). Growth in the wholesale channel was driven by a positive effect of DKK 18 million due to a shift in deliveries of goods from Q4 2015/16 to Q1 2016/17. Growth in the retail channel was driven by both new stores as well as continued e-commerce growth. The operating profit amounted to DKK 55 million (DKK 53 million) corresponding to an EBIT margin of 19.0% (19.1%).
- Revenue for Q1 2016/17 from By Malene Birger declined by 4.8% (a decline of 3.4% measured in local currency) to DKK 99 million (DKK 104 million) primarily driven by the retail channel where low traffic in own stores was reported throughout the quarter under review. The operating profit amounted to DKK 4 million (DKK 13 million) corresponding to an EBIT margin of 4.0% (12.5%) which is attributable to a lower gross margin due to larger discounts as well as non-recurring costs of DKK 4 million in connection with a comprehensive brand and positioning analysis.
- Revenue from the Group's Other brands rose by 1.8% (2.0% measured in local currency) to DKK 115 million for Q1 2016/17 (DKK 113 million). The operating profit increased by DKK 3 million to DKK 13 million due to an improved gross margin in both brands. The EBIT margin amounted to 11.3% (8.8%).

### Group:

- Consolidated revenue amounted to DKK 851 million (DKK 843 million) corresponding to a growth rate of 0.9% (1.8% measured in local currency). New stores opened during 2015/16 as well as continued growth in the Group's e-commerce contributed to this revenue growth.

<sup>1</sup> Same-store revenue comprises physical stores with unchanged locations, sales areas and store names and which have comparable sales data for a full financial year as well as e-commerce. Revenue from outlets has not been included.

- The gross profit amounted to DKK 477 million (DKK 477 million), and the gross margin was 56.1% (56.6%). After having adjusted for positive non-recurring effects in Q1 2015/16, the gross margin was at the same level as last financial year.
- Capacity costs rose by DKK 28 million to DKK 342 million compared to Q1 2015/16. After having adjusted for timing effects and non-recurring costs in Q1 2016/17 as well as 2015/16, costs increased by DKK 20 million of which the main part is attributable to sales-related costs – primarily for new stores opened during 2015/16.
- The consolidated operating profit for Q1 2016/17 amounted to DKK 135 million (DKK 163 million), and the EBIT margin thus amounted to 15.9% compared to 19.3% for Q1 2015/16.
- The working capital amounted to DKK 679 million corresponding to an increase of DKK 99 million compared to last financial year. This increase was primarily driven by higher inventories. The working capital constituted 25.4% of the trailing twelve months revenue compared to 21.9% for the same period last year.

## Updated outlook for the financial year 2016/17

We still expect to realize a revenue growth rate measured in local currency of 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 at least 5% (unchanged).

Revenue growth is expected to be driven by sales in both the wholesale channel as well as the retail channel. At present, we have solid insight into the wholesale revenue for the remainder of the financial year 2016/17, and based on this, we expect a pre-order growth rate of approx. 7% for the remainder of the financial year. In addition, we expect to open 15-20 new stores as opposed to 10-15 stores as announced at the beginning of the financial year.

During Q1 2016/17 we have experienced a negative revenue development in our physical stores driven by lower traffic compared to Q1 2015/16 whereas we have seen some improvements in sales and consequently same-store growth at the beginning of Q2 2016/17. For the remainder of the financial year, a flat same-store revenue is expected.

However, we still see a risk of a tough and challenging retail climate for the remainder of the financial year resulting in a potential negative impact on high-margin revenue from the physical stores as well as the supplementary sales to wholesale customers during the season. In such case, this will put pressure on the Group's gross margin and have a negative effect on the cost ratio.

Consequently, we now expect the Group's EBIT margin to attain a level of approx. 8-9% for the financial year 2016/17 (previously: "approx. 9%").

Investments for the financial year 2016/17 are expected to attain a level of approx. 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%	At least 6%	Unchanged
Revenue growth (reported)	1.0%	At least 5%	At least 5%	Unchanged
EBIT margin	9.1%	Approx. 9%	8-9%	Changed
Investments	3.0%	3-5% of revenue	3-5% of revenue	Unchanged

Copenhagen, 15 November 2016

IC Group A/S

Mads Ryder  
Group CEO

Alexander Martensen-Larsen  
Group CFO

## Information Meeting

IC Group will host an information meeting for investors, analysts and other stakeholders on Tuesday 15 November 2016 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/Subngem3>

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

+45 3271 1658 (Denmark)

+1 646 254 3366 (USA)

+44 (0) 20 3427 1909 (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, and which may 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	Q1 2016/17 3 months	Q1 2015/16 3 months	Year 2015/16 12 months
<b>INCOME STATEMENT</b>			
Revenue	851	843	2,665
Gross profit	477	477	1,513
Operating profit before depreciation and amortization (EBITDA)	152	177	306
Operating profit (EBIT)	135	163	243
Net financials	3	2	(7)
Profit for the period before tax	138	169	247
Profit for the period of continuing operations	105	130	192
Profit for the period of discontinued operations	-	4	3
Profit for the period	105	134	195
<b>STATEMENT OF FINANCIAL POSITION</b>			
Total assets	1,721	2,124	1,444
Average invested capital including goodwill	1,026	976	736
Net working capital	679	580	314
Total equity	751	939	740
Net interest-bearing debt, end of period	259	209	25
<b>STATEMENT OF CASH FLOW</b>			
Cash flow from operating activities	(219)	(121)	183
Cash flow from investing activities	(19)	(14)	55
Investments in property, plant and equipment	(15)	(6)	(81)
Free cash flow	(238)	(135)	238
Cash flow from financing activities	4	8	(319)
Net cash flow for the period	(234)	(127)	(81)
<b>KEY RATIOS (%)</b>			
Revenue growth	0.9	1.8	1.0
Gross margin	56.1	56.6	56.8
Cost ratio	40.2	37.2	47.7
EBITDA margin	17.9	21.0	11.5
EBIT margin	15.9	19.3	9.1
Tax rate	23.9	23.1	22.2
Return on equity	14.1	14.2	23.5
Equity ratio	43.7	44.2	51.2
Return on invested capital <sup>1)</sup>	20.9	23.3	33.0
Net working capital in proportion to revenue <sup>2)</sup>	25.4	21.9	11.8
Cash conversion	(1.8)	(0.8)	1.0
Financial gearing	34.5	22.3	3.4
<b>SHARE-BASED RATIOS</b>			
Average number of shares excluding treasury shares, diluted (1,000)	16,683	16,607	16,678
Share price, end of period, DKK	165.0	190.0	172.0
Earnings per share, DKK	6.2	8.0	11.6
Diluted earnings per share, DKK	6.2	8.0	11.6
Diluted cash flow per share, DKK	(13.1)	(7.3)	11.0
Diluted net asset value per share, DKK	44.5	60.6	44.0
Diluted price/earnings, DKK	26.6	25.3	14.8
<b>EMPLOYEES</b>			
Number of employees (calculated as FTEs, end of period)	1,190	1,067	1,146
<b>NUMBER OF STORES (OWN STORES)</b>			
Retail stores	113	101	115
Concessions	42	43	42

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

<sup>2)</sup> 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.

# 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 348 million for Q1 2016/17 (DKK 343 million) corresponding to a growth rate of 1.5% (2.2% measured in local currency). Revenue from the wholesale channel amounted to DKK 274 million (DKK 274 million) and was negatively 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 rose by 7.2% driven by e-commerce growth as well as increased sales as a consequence of higher outlet capacity. By contrast, sales in physical stores were challenged due to low traffic – in particular in September during which the weather was considerably warm when considering the season.

Peak Performance did not open new stores during Q1 2016/17, however, the brand closed an outlet in Metzingen in South of Germany at the end of the quarter under review. The same-store revenue declined by 2.9% attributable to the setback experienced in the physical stores which was not compensated by the e-commerce growth.

In the Nordic region revenue increases were reported for all markets except Sweden, and the total revenue for the Nordic region rose by 1.5%. Revenue from Rest of Europe rose by 1.7% and revenue from outside Europe rose by 6.3%.

The gross margin for Q1 2016/17 was lower compared to last financial year due to higher inventory write-downs compared to same period last financial year. Costs primarily rose as a consequence of new stores opened during 2015/16. In Q1 2015/16, costs were positively affected by timing differences between Q1 and Q2 amounting to approx. DKK 8 million. After having adjusted for this, the cost ratio increased marginally.

The operating profit thus amounted to DKK 62 million (DKK 78 million) corresponding to an EBIT margin of 17.8% (22.7%).

DKK million	Q1 2016/17 3 months	Q1 2015/16 3 months	Change, %
Revenue	348	343	1.5
Wholesale and franchise	274	274	-
Retail, e-commerce and outlets	74	69	7.2
Revenue growth in local currency (%)	2.2		
Operating profit before depreciation and amortization (EBITDA)	67	82	(18.3)
EBITDA margin (%)	19.3	23.9	
Depreciations, amortization and impairment losses	(5)	(4)	25.0
<b>Operating profit (EBIT)</b>	<b>62</b>	<b>78</b>	<b>(20.5)</b>
EBIT margin (%)	17.8	22.7	

Own stores	Number of stores 30 Sep. 2016	Number of stores 30 Sep. 2015	Change
Retail stores	38	32	6
Concessions	1	1	-
<b>Total</b>	<b>39</b>	<b>33</b>	<b>6</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 at: [tigerofsweden.com](http://tigerofsweden.com)

## Financial performance of Tiger of Sweden

Tiger of Sweden realized a growth rate of 4.3% (5.5% measured in local currency) for Q1 2016/17 and generated a revenue of DKK 289 million compared to DKK 277 million in Q1 2015/16. Revenues from both the wholesale and retail channels rose by 4.9% and 3.3%, respectively. Growth in the wholesale channel was driven by a shift in deliveries for a large amount of products which were delivered in Q1 as opposed to Q4 previously. This shift in deliveries had a positive impact of approx. DKK 18 million. However, supplementary sales to wholesale customers were lower in Q1 2016/17 compared to Q1 2015/16 and thus had a negative impact on revenue. Growth in the retail channel was driven by a positive effect from store openings in 2015/16 as well as continued e-commerce growth.

During Q1 2016/17, Tiger of Sweden opened two stores (both stores converted from franchise) and closed two stores (one of the stores was a Tiger Jeans pop-up) – all four stores located in Sweden. The same-store revenue declined by 9.1% which was driven by lower traffic in the physical stores and which was not compensated by the e-commerce growth.

Geographically, revenue rose in all markets of the Nordic region, and the total revenue in this market increased by 3.1% compared to last financial year. In addition, growth was also registered in other European markets which was driven by a growth rate of 37% reported in Germany. Outside Europe revenue declined which was primarily attributable to the fact that activities in the USA have been scaled down.

The gross margin was improved compared to 2015/16 primarily due to better margins on sold products in the wholesale channel. The cost ratio rose as a consequence of store openings and higher staff costs.

The operating profit for Q1 2016/17 improved by DKK 2 million to DKK 55 million (DKK 53 million) compared to Q1 2015/16, and the EBIT margin of 19.0% was at the same level as last financial year.

DKK million	Q1 2016/17 3 months	Q1 2015/16 3 months	Change, %
Revenue	289	277	4.3
Wholesale and franchise	194	185	4.9
Retail, e-commerce and outlets	95	92	3.3
<i>Revenue growth in local currency (%)</i>	5.5		
Operating profit before depreciation and amortization (EBITDA)	59	56	5.4
<i>EBITDA margin (%)</i>	20.4	20.2	
Depreciations, amortization and impairment losses	(4)	(3)	33.3
<b>Operating profit (EBIT)</b>	<b>55</b>	<b>53</b>	<b>3.8</b>
<i>EBIT margin (%)</i>	19.0	19.1	

	Number of stores 30 Sep. 2016	Number of stores 30 Sep. 2015	Change
<b>Own stores</b>			
Retail stores	20	14	6
Concessions	19	19	-
<b>Total</b>	<b>39</b>	<b>33</b>	<b>6</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 Q1 2016/17 declined by 4.8% to DKK 99 million (DKK 104 million). Measured in local currency, this decline was 3.4%. The wholesale revenue declined by 1.3% whereas the retail revenue declined by 14.3%. The revenue development in the retail channel was driven by poor performance in the physical stores and an unchanged e-commerce revenue.

No changes have taken place in By Malene Birger's store portfolio during Q1 2016/17. The same-store revenue declined by 12.8% which may be ascribed the previously mentioned development in physical stores and e-commerce.

Sweden reported revenue growth whereas revenue from other Nordic countries declined. In total, revenue remained at the same level in the Nordic region. Revenue from Rest of Europe decreased by 13.3%. In Great Britain and France revenue remained at the same level as last financial year. Revenue from outside Europe declined.

The gross margin was lower compared to Q1 2015/16 mainly attributable to higher discounts in all channels. The cost ratio rose primarily due to consultancy costs in connection with a comprehensive brand and positioning analysis amounting to DKK 4 million. During Q1 2015/16, costs were negatively impacted by DKK 2 million in connection with the replacement of the brand CEO.

The operating profit amounted to DKK 4 million compared to DKK 13 million for the same period last financial year, and the EBIT margin declined by 4.0% (12.5%).

DKK million	Q1 2016/17 3 months	Q1 2015/16 3 months	Change, %
Revenue	99	104	(4.8)
Wholesale and franchise	75	76	(1.3)
Retail, e-commerce and outlets	24	28	(14.3)
<i>Revenue growth in local currency (%)</i>	(3.4)		
Operating profit before depreciation and amortization (EBITDA)	6	15	(60.0)
<i>EBITDA margin (%)</i>	6.1	14.4	
Depreciations, amortization and impairment losses	(2)	(2)	-
<b>Operating profit (EBIT)</b>	<b>4</b>	<b>13</b>	<b>(69.2)</b>
<i>EBIT margin (%)</i>	4.0	12.5	

	Number of stores 30 Sep. 2016	Number of stores 30 Sep. 2015	Change
<b>Own stores</b>			
Retail stores	9	9	-
Concessions	6	7	(1)
<b>Total</b>	<b>15</b>	<b>16</b>	<b>(1)</b>

## The Group

### Revenue

Consolidated revenue for Q1 2016/17 amounted to DKK 851 million (DKK 843 million) corresponding to an increase of 0.9% (1.8% measured in local currency).

During Q1 2016/17, the Group experienced low traffic in its physical stores, and the same-store revenue of Group brands declined by 6.6%. However, new stores opened during 2015/16 and continued growth in the Group's e-commerce channel contributed to retail growth.

The revenue development in the Group's Other brands was positively affected by strong revenue growth in Designer Remix's wholesale channel whereas Saint Tropez reported a marginal revenue reduction.

### Gross margin

In spite of significantly higher exchange rates of the Group's two primary sourcing currencies (USD and HKD), the gross profit amounted to DKK 477 million (DKK 477 million), and the gross margin was 56.1% (56.6%). The price increases implemented during Q3 2015/16 as well as a number of gross margin initiatives have contributed to retaining the gross margin level. 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 Q1 2016/17 was at the same level as Q1 2015/16.

### Capacity costs

Capacity costs rose by DKK 28 million to DKK 342 million in Q1 2016/17, and the cost ratio amounted to 40.2% compared to 37.2% for the same period last financial year.

Costs for Q1 2016/17 were negatively impacted by non-recurring costs relating to a comprehensive brand and positioning analysis of By Malene Birger amounting to DKK 4 million. On the contrary, Q1 2015/16 was affected by a positive net effect of DKK 4 million comprising a positive timing effect in Peak Performance amounting to DKK 8 million as well as a non-recurring effect of DKK 1 million relating to reversal of provisions for a case concerning indirect taxes whereas replacing members in the Global Management Team resulted in a negative effect of DKK 5 million.

After having adjusted for the above-mentioned items, the underlying costs rose by DKK 20 million of which the majority was attributable to sales-related costs – primarily for new stores opened during 2015/16.

### Operating profit (EBIT)

Consolidated operating profit amounted to DKK 135 million compared to DKK 163 million for Q1 2015/16 and corresponds to an EBIT margin of 15.9% compared to 19.3% for the same period last financial year.

### Profit for the period

Consolidated profit for Q1 2016/17 amounted to DKK 105 million (DKK 134 million) corresponding to a reduction of DKK 29 million.

### Net working capital

The working capital amounted to DKK 679 million corresponding to an increase of DKK 99 million compared to last financial year primarily driven by higher inventories as a consequence of products for new stores, higher levels of products on stock as well as timing of deliveries to certain customers. The working capital constituted 25.4% of the trailing twelve months revenue compared to 21.9% for the same period last financial year.

### Statement of cash flows

Cash flow from operating activities amounted to an outflow of DKK 219 million which is DKK 98 million lower compared to the same period last financial year and which is attributable to a combination of a higher tied-up working capital and a lower operating profit. Cash flow from investing activities amounted to an outflow of DKK 19 million (an outflow of DKK 14 million). Investments have been carried out in both existing and new stores as well as IT. Consolidated free cash flow thus amounted to an outflow of DKK 238 million (an outflow of DKK 135 million).

### Changes in equity and equity ratio

Equity as at 30 September 2016 amounted to DKK 751 million (30 June 2016: DKK 740 million). This increase was driven by profit for the period which was partly offset by the declared dividend of DKK 85 million. Subsequently, the equity ratio as at 30 September 2016 amounted to 43.7% (30 June 2016: 51.2%).



# CONSOLIDATED INCOME STATEMENT

Note	DKK million	Q1 2016/17 3 months	Q1 2015/16 3 months	Year 2015/16 12 months
4	<b>Revenue</b>	<b>851</b>	<b>843</b>	<b>2,665</b>
	Cost of sales	(374)	(366)	(1,152)
	<b>Gross profit</b>	<b>477</b>	<b>477</b>	<b>1,513</b>
	Other external costs	(172)	(161)	(626)
	Staff costs	(153)	(140)	(587)
	Other operating income	-	1	6
	<b>Operating profit before depreciation and amortization (EBITDA)</b>	<b>152</b>	<b>177</b>	<b>306</b>
	Depreciation, amortization and impairment losses	(17)	(14)	(63)
	<b>Operating profit (EBIT)</b>	<b>135</b>	<b>163</b>	<b>243</b>
	Income from investments in associates	-	4	11
	Financial income	5	4	9
	Financial costs	(2)	(2)	(16)
	<b>Profit before tax of continuing operations</b>	<b>138</b>	<b>169</b>	<b>247</b>
	Tax on profit for the period of continuing operations	(33)	(39)	(55)
	<b>Profit for the period of continuing operations</b>	<b>105</b>	<b>130</b>	<b>192</b>
	Profit for the period of discontinued operations*	-	4	3
	<b>Profit for the period</b>	<b>105</b>	<b>134</b>	<b>195</b>
	Profit allocation:			
	Shareholders of IC Group A/S	104	133	193
	Non-controlling interests	1	1	2
	<b>Profit for the period</b>	<b>105</b>	<b>134</b>	<b>195</b>
	Earnings per share, DKK	6.2	8.0	11.6
	Diluted earnings per share, DKK	6.2	8.0	11.6
	Earnings per share of continuing operations, DKK	6.2	7.8	11.4
	Diluted earnings per share of continuing operations, DKK	6.2	7.8	11.4

\*Q1 2015/16: Income of DKK 5 million and costs of DKK 1 million; 2015/16: Income of DKK 4 million and costs of DKK 1 million.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	DKK million	Q1 2016/17 3 months	Q1 2015/16 3 months	Year 2015/16 12 months
	<b>Profit for the period</b>	<b>105</b>	<b>134</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, gains/loss on financial instruments related to cash flow hedges	4	28	27
	Reclassification to income statement, gains/loss on financial instruments related to realized cash flow hedges	(14)	(35)	(61)
	Tax on hedging transactions which may be reclassified to the income statement	2	1	7
	<i>Foreign currency translation adjustments:</i>			
	Foreign currency translation adjustments, foreign subsidiaries and intercompany loans	(5)	(13)	(9)
	<b>Other comprehensive income after tax</b>	<b>(13)</b>	<b>(19)</b>	<b>(38)</b>
	<b>Total comprehensive income</b>	<b>92</b>	<b>115</b>	<b>157</b>
	<b>Allocation of comprehensive income for the period:</b>			
	Shareholders of IC Group A/S	91	114	155
	Non-controlling interests	1	1	2
	<b>Total</b>	<b>92</b>	<b>115</b>	<b>157</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	DKK million	30 Sep. 2016	30 Sep. 2015	30 June 2016
	<b>ASSETS</b>			
	<b>NON-CURRENT ASSETS</b>			
	Intangible assets	259	262	260
	Property, plant and equipment	136	93	134
	Investments in associates	-	119	-
	Financial assets	21	37	24
	Deferred tax	56	48	58
	<b>Total non-current assets</b>	<b>472</b>	<b>559</b>	<b>476</b>
	<b>CURRENT ASSETS</b>			
5	Inventories	461	359	425
6	Trade receivables	542	538	284
	Tax receivable	64	62	57
	Other receivables	45	105	33
	Prepayments	65	49	85
7	Cash and cash equivalents	72	305	84
		<b>1,249</b>	<b>1,418</b>	<b>968</b>
	Assets held-for-sale	-	147	-
	<b>Total current assets</b>	<b>1,249</b>	<b>1,565</b>	<b>968</b>
	<b>TOTAL ASSETS</b>	<b>1,721</b>	<b>2,124</b>	<b>1,444</b>

Note	DKK million	30 Sep. 2016	30 Sep. 2015	30 June 2016
	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	Share capital	171	171	171
	Reserve for hedging transactions	6	35	14
	Translation reserve	(67)	(66)	(62)
	Retained earnings	633	793	610
	<b>Equity attributable to shareholders of the Parent Company</b>	<b>743</b>	<b>933</b>	<b>733</b>
	<b>Equity attributable to non-controlling interests</b>	<b>8</b>	<b>6</b>	<b>7</b>
	<b>Total equity</b>	<b>751</b>	<b>939</b>	<b>740</b>
	<b>LIABILITIES</b>			
	Retirement benefit obligations	9	8	9
	Deferred tax	11	35	12
	Provisions	6	5	6
	<b>Total non-current liabilities</b>	<b>26</b>	<b>48</b>	<b>27</b>
7	Current liabilities to credit institutions	331	374	109
	Trade payables	199	189	317
	Tax payable	69	66	52
	Other liabilities	231	238	178
	Provisions	29	54	21
	Declared dividend	85	68	-
		<b>944</b>	<b>989</b>	<b>677</b>
	Liabilities concerning assets held-for-sale	-	148	-
	<b>Total current liabilities</b>	<b>944</b>	<b>1,137</b>	<b>677</b>
	<b>Total liabilities</b>	<b>970</b>	<b>1,185</b>	<b>704</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,721</b>	<b>2,124</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-control. interests	Total equity
Equity at 1 July 2016	171	14	(62)	525	85	733	7	740
Profit for the period	-	-	-	104	-	104	1	105
Other comprehensive income after tax	-	(8)	(5)	-	-	(13)	-	(13)
<b>Total comprehensive income</b>	-	(8)	(5)	104	-	91	1	92
<b>Transactions with owners:</b>								
Declared dividend	-	-	-	-	(85)	(85)	-	(85)
Exercise of warrants <sup>1)</sup>	-	-	-	4	-	4	-	4
<b>Changes in equity during the period</b>	-	(8)	(5)	108	(85)	10	1	11
Equity at 30 September 2016	171	6	(67)	633	-	743	8	751

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-control. interests	Total equity
Equity at 1 July 2015	170	41	(53)	653	68	879	5	884
Profit for the period	-	-	-	133	-	133	1	134
Other comprehensive income after tax	-	(6)	(13)	-	-	(19)	-	(19)
<b>Total comprehensive income</b>	-	(6)	(13)	133	-	114	1	115
<b>Transactions with owners:</b>								
Declared dividend	-	-	-	-	(68)	(68)	-	(68)
Exercise of share options and warrants	1	-	-	7	-	8	-	8
<b>Changes in equity during the period</b>	1	(6)	(13)	140	(68)	54	1	55
Equity at 30 September 2015	171	35	(66)	793	-	933	6	939

DKK million	Shares
<b>DEVELOPMENT IN TREASURY SHARES</b>	
Treasury shares at 1 July 2016	442,572
<b>Treasury shares at 30 September 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	Q1 2016/17 3 months	Q1 2015/16 3 months	Year 2015/16 12 months
	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Operating profit, continuing operations	135	163	243
	Operating profit, discontinued operations	-	4	3
	<b>Operating profit</b>	<b>135</b>	<b>167</b>	<b>246</b>
	Other adjustments	32	32	66
	Change in working capital	(367)	(307)	(61)
	<b>Cash flow from ordinary operating activities</b>	<b>(200)</b>	<b>(108)</b>	<b>251</b>
	Financial income received	1	2	3
	Financial costs paid	(1)	(1)	(6)
	<b>Cash flow from operating activities</b>	<b>(200)</b>	<b>(107)</b>	<b>248</b>
	Tax paid	(19)	(14)	(65)
	<b>Total cash flow from operating activities</b>	<b>(219)</b>	<b>(121)</b>	<b>183</b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Investments in intangible assets	(6)	(9)	(10)
	Investments in property, plant and equipment	(15)	(6)	(81)
	Sale of activities and associates	-	-	144
	Change in other financial assets	2	1	2
	<b>Total cash flow from investing activities</b>	<b>(19)</b>	<b>(14)</b>	<b>55</b>
	<b>Total free cash flow</b>	<b>(238)</b>	<b>(135)</b>	<b>238</b>
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Repayment on non-current liabilities	-	-	(17)
	Dividends paid	-	-	(310)
	Exercise of share options and warrants	4	8	8
	<b>Total cash flow from financing activities</b>	<b>4</b>	<b>8</b>	<b>(319)</b>
	<b>NET CASH FLOW FOR THE PERIOD</b>	<b>(234)</b>	<b>(127)</b>	<b>(81)</b>
	<b>CASH AND CASH EQUIVALENTS</b>			
	Cash and cash equivalents, beginning of period	(25)	58	58
	Foreign currency translation adjustment of cash and cash equivalents	-	-	(2)
	Net cash flow for the period	(234)	(127)	(81)
	<b>Cash and cash equivalents, end of period</b>	<b>(259)</b>	<b>(69)</b>	<b>(25)</b>
	<b>DKK million</b>	<b>30 Sep. 2016</b>	<b>30 Sep. 2015</b>	<b>30 June 2016</b>
	<i>Cash and cash equivalents in the statement of cash flows comprise:</i>			
	Cash	72	305	84
	Current liabilities to credit institutions	(331)	(374)	(109)
	<b>Cash and cash equivalents, cf. statement of cash flows</b>	<b>(259)</b>	<b>(69)</b>	<b>(25)</b>

# NOTES

## 1. Accounting policies

The 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		30 Sep. 2016		30 Sep. 2015		30 June 2016	
	Item	Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
Unlisted shares and bonds	Financial assets	-	8	-	7	-	7
Derivative financial instruments (trading portfolio)	Financial assets	-	-	-	14	-	-
<b>Financial assets at fair value recognized through the income statement</b>		-	<b>8</b>	-	<b>21</b>	-	<b>7</b>
Financial assets used for hedging purposes	Other receivables	26	-	67	-	20	-
Financial liabilities used for hedging purposes	Other liabilities	19	-	6	-	1	-

No transfers between the levels of the fair value hierarchy have taken place during Q1 2016/17.

## 4. Segment information

DKK million	Peak Performance Q1 2016/17 3 months	Tiger of Sweden Q1 2016/17 3 months	By Malene Birger Q1 2016/17 3 months	Premium brands Q1 2016/17 3 months	Other brands Q1 2016/17 3 months	Total Q1 2016/17 3 months
<b>Total revenue</b>	<b>348</b>	<b>289</b>	<b>99</b>	<b>736</b>	<b>115</b>	<b>851</b>
Wholesale and franchise	274	194	75	543	67	610
Retail, e-commerce and outlets	74	95	24	193	48	241
Growth compared to 2015/16 (%)	1.5	4.3	(4.8)	1.7	1.8	1.7
Growth in local currency compared to 2015/16 (%)	2.2	5.5	(3.4)	2.7	2.0	2.6
<b>Operating profit before depreciation and amortization (EBITDA)</b>	<b>67</b>	<b>59</b>	<b>6</b>	<b>132</b>	<b>15</b>	<b>147</b>
EBITDA margin (%)	19.3	20.4	6.1	17.9	13.0	17.3
Depreciations, amortization and impairment losses	(5)	(4)	(2)	(11)	(2)	(13)
<b>Operating profit (EBIT)</b>	<b>62</b>	<b>55</b>	<b>4</b>	<b>121</b>	<b>13</b>	<b>134</b>
EBIT margin (%)	17.8	19.0	4.0	16.4	11.3	15.7
<b>Reconciliation of segment information of continuing operations</b>						
Operating profit (EBIT), reportable segments						134
Unallocated items and eliminations						1
<b>Operating profit (EBIT)</b>						<b>135</b>
Financial income						5
Financial costs						(2)
<b>Profit before tax</b>						<b>138</b>
Tax on profit for the period						(33)
<b>Profit for the period</b>						<b>105</b>

DKK million	Peak Performance Q1 2015/16 3 months	Tiger of Sweden Q1 2015/16 3 months	By Malene Birger Q1 2015/16 3 months	Premium brands Q1 2015/16 3 months	Other brands Q1 2015/16 3 months	Total Q1 2015/16 3 months
<b>Total revenue</b>	<b>343</b>	<b>277</b>	<b>104</b>	<b>724</b>	<b>113</b>	<b>837</b>
Wholesale and franchise	274	185	76	535	65	600
Retail, e-commerce and outlets	69	92	28	189	48	237
<b>Operating profit before depreciation and amortization (EBITDA)</b>	<b>82</b>	<b>56</b>	<b>15</b>	<b>153</b>	<b>12</b>	<b>165</b>
EBITDA margin (%)	23.9	20.2	14.4	21.1	10.6	19.7
Depreciations, amortization and impairment losses	(4)	(3)	(2)	(9)	(2)	(11)
<b>Operating profit (EBIT)</b>	<b>78</b>	<b>53</b>	<b>13</b>	<b>144</b>	<b>10</b>	<b>154</b>
EBIT margin (%)	22.7	19.1	12.5	19.9	8.8	18.4
<b>Reconciliation of segment information of continuing operations</b>						
Operating profit (EBIT), reportable segments						154
Unallocated items and eliminations						9
<b>Operating profit (EBIT)</b>						<b>163</b>
Income from investments in associates						4
Financial income						4
Financial costs						(2)
<b>Profit before tax</b>						<b>169</b>
Tax on profit for the period						(39)
<b>Profit for the period</b>						<b>130</b>

DKK million	Q1 2016/17 3 months	Q1 2015/16 3 months
<b>Segment revenue (reportable segments)</b>	<b>851</b>	<b>837</b>
Unallocated items and eliminations	-	6
<b>Total revenue, cf. income statement</b>	<b>851</b>	<b>843</b>

### 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.

## 4. Segment information

### 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.

## 5. Inventories

DKK million	30 Sep. 2016	30 Sep. 2015	30 June 2016
Raw material and consumables	44	36	54
Finished goods and goods for resale	421	331	295
Goods in transit	47	37	133
<b>Total inventories, gross</b>	<b>512</b>	<b>404</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	6	4	30
Write-downs for the period, reversals	(12)	(12)	(26)
<b>Total inventory write-downs</b>	<b>51</b>	<b>45</b>	<b>57</b>
<b>Total inventories, net</b>	<b>461</b>	<b>359</b>	<b>425</b>
<b>Write-downs (%)</b>	<b>10</b>	<b>11</b>	<b>12</b>

## 6. Trade receivables

DKK million	30 Sep. 2016	30 Sep. 2015	30 June 2016
Not yet due	474	466	226
Due, 1-60 days	43	51	36
Due, 61-120 days	4	4	6
Due more than 120 days	21	17	16
<b>Total trade receivables, net</b>	<b>542</b>	<b>538</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	2	(1)	2
Realized loss for the period	-	(9)	(15)
<b>Total write-downs</b>	<b>28</b>	<b>29</b>	<b>26</b>

## 7. Net interest-bearing debt

DKK million	30 Sep. 2016	30 Sep. 2015	30 June 2016
<b>Net interest-bearing debt comprises:</b>			
Current liabilities to credit institutions	331	374	109
Liabilities concerning assets held-for-sale	-	140	-
<b>Interest-bearing debt, gross</b>	<b>331</b>	<b>514</b>	<b>109</b>
Cash	72	305	84
<b>Net interest-bearing debt</b>	<b>259</b>	<b>209</b>	<b>25</b>

## 8. Related parties

As at 30 September 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.

# 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 – 30 September 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 30 September 2016 and of the results of the Group's operations and cash flows for the period 1 July 2016 – 30 September 2016.

Furthermore, we consider the management commentary (pages 1-8) 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 uncertainty factors that have not been disclosed in the Annual Report 2015/16.

Copenhagen, 15 November 2016

The Executive Board:

MADS RYDER  
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



## INVESTOR RELATIONS CONTACT

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