STOCK EXCHANGE ANNOUNCEMENT

IC Companys A/S – Interim Report H1 2008/09

Revenue increased 1% to DKK 2,041 million in the first half year of the financial year. However, impacted by the currently unfavourable market, operating profit is down to DKK 202 million, equivalent to a 33% decline. Consequently, the Executive Board has launched a number of initiatives, which all are targeted at increasing the Group's earning capacity and revenue.

At its meeting on 22 February 2009 the Board of Directors of IC Companys A/S has approved the Interim Report for the period 1 July – 31 December 2008.

- The Group reported revenue of DKK 2,041 million (DKK 2,015 million) corresponding to a growth of 1%. Same-store sales in the Group's own stores declined by 4% in the first half of the financial year. The second quarter records a decline of 8%.
- Gross profit came to DKK 1,211 million (DKK 1,229 million) including additional inventory write downs amounting to DKK 24 million. This equals a gross profit of 59.3% (61.0%).
- Operating costs came to DKK 1,009 million (DKK 928 million), the equivalent of a 9% increase. Adjusted for non-recurring impacts of combined DKK 42 million, the increase came to 4%. This corresponds to an adjusted cost rate of 47.4% (46.1%)
- Operating profit in the first half of the financial year is down by 33% to DKK 202 million (DKK 301 million) corresponding to an EBIT margin of 9.9% (14.9%). Adjusted for non-recurring impacts of a total of DKK 66 million, the Group records an EBIT margin of 13.1%.
- Order intake for all four collections for delivery in 2008/09 is completed showing a combined 1% growth. Order intake for the 2009 summer collection reported a 21% setback and a decline for the autumn collection 2009 is further expected.
- As previously announced in September 2008 in connection with the annual report 2007/08, the Executive Board has launched a number of initiatives within the areas of rationalisation of the cost structure, adjustment of the distribution strategy and optimisation of the value chain, all of which aimed at increasing the Group's earnings capacity and revenue.

  The action taken is expected to result in a cost base reduction amounting to DKK 200-250 million as measured against the financial year 2007/08. A regrettable consequence is that 140 employees will be terminated – of which 60 are in Denmark. In addition, 150 employees are expected to be transferred to new distributors. The cost savings are expected to have full effect in the financial year 2009/10.

Reestimation future guidance

- For the full year 2008/09 expectations remain slightly lower revenue as compared to the financial year 2007/08. For the full year 2008/09, an operating profit in the region of DKK 110-160 million is now expected including total non-recurring impacts in the region of DKK 100-120 million (previously: significantly lower than in the financial year 2007/08).
- Investments in the region of DKK 120-140 million will be carried through, primarily to direct sales promoting activities, including interior design of stores and showrooms.
- The execution of the actions mentioned in the above concerning rationalisation, distribution strategy and value chain is expected to result in positive consolidated earnings in 2009/10 as well as the investment rate is expected to be maintained.

FURTHER INFORMATION

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FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK million	Q2 2008/09 3 months	Q2 2007/08 3 months	H1 2008/09 6 months	H1 2007/08 6 months	2007/08 12 months
Income statement					
Revenue	779.4	824.9	2,041.0	2,015.3	3,737.2
Gross profit	457.0	504.2	1,211.0	1,229.0	2,258.8
Operating profit before depreciation & amortisation (EBITDA)	3.1	76.8	264.5	351.2	462.1
Operating profit before goodwill write down	(25.2)	51.0	205.1	300.6	349.3
Operating profit (EBIT)	(28.2)	51.0	202.1	300.6	349.3
Net financial items	(4.4)	(8.2)	(18.9)	(13.3)	(31.9)
Profit before tax	(32.6)	42.8	183.2	287.3	317.4
Profit for the period	(25.6)	30.8	126.9	206.8	224.0
Balance sheet					
Non-current assets	770.5	838.5	770.5	838.5	825.8
Current assets	1,185.0	1,198.7	1,185.0	1,198.7	1,106.5
Total assets	1,955.5	2,037.2	1,955.5	2,037.2	1,932.3
Equity	558.4	680.7	558.4	680.7	473.5
Total liabilities	1,397.1	1,356.5	1,397.1	1,356.5	1,458.8
Cash flow statement					
Cash flow from operating activities	369.2	284.5	133.5	169.9	340.1
Cash flow from investing activities	(47.8)	(41.2)	(81.0)	(74.7)	(138.4)
Cash flow from operating and investing activities	321.4	243.3	52.5	95.2	201.6
Cash flow from financing activities	(69.9)	(87.5)	(83.0)	(76.4)	(285.3)
Cash flow for the period	251.5	155.8	(30.5)	18.8	(83.7)
Key ratios					
Gross margin (%)	58.6	61.1	59.3	61.0	60.4
EBITDA margin (%)	0.4	9.3	13.0	17.4	12.4
EBIT margin (%)	(3.6)	6.2	9.9	14.9	9.3
Return on equity (%)	(4.6)	4.9	24.6	31.0	43.1
Equity ratio (%)	28.6	33.4	28.6	33.4	24.5
Average capital employed including goodwill	1,514.8	1,246.5	1,262.7	1,246.5	1,193.5
Return on capital employed (%)	(1.7)	4.1	16.2	24.1	29.3
Net interest-bearing debt, end of period	680.6	537.9	680.6	537.9	639.0
Financial leaverage (%)	121.9	79.0	121.9	79.0	135.0
Share data*					
Diluted average number of shares excluding treasury shares (thousand)	16,535.6	17,722.4	16,535.6	17,722.4	17,415.8
Market price, end of period, DKK	42.1	307.0	42.1	307.0	156.0
Diluted earnings per share, DKK	(1.6)	1.8	7.7	11.6	12.6
Diluted cash flow per share, DKK	22.3	16.1	8.1	9.6	19.5
Diluted net asset value per share, DKK	33.3	38.4	33.3	38.4	28.0
Diluted price / earning, DKK	(27.2)	170.6	5.5	26.5	12.4
Employees					
Number of employees (full-time equivalents at the end of the period)	2,512	2,412	2,512	2,412	2,441

The key ratios and share data have been calculated according to the recommendations in "Recommendations and Ratios 2005" issued by the Danish Society of Financial Analysts. The equity ratio is calculated as the equity at period end divided by the total assets at period end.

* The effect of IC Companys' programmes for share options and warrants has been included in the diluted values. Comparative figures which include number of shares have been adjusted with an adjustment factor of 0,9969 for the effect of employees' exercise of warrants.

DISCLAIMER

This announcement contains future-orientated statements regarding the Company's future development and results and other statements that are not historic facts. Such statements are based on the currently well-founded prerequisites and expectations of the management that may prove erroneous. The actual results may deviate considerably from what has been outlined as planned, assumed, assessed or forecast in this announcement.

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.

SUMMARY

The last quarter was characterised by very unstable market conditions for the Group's brands and markets, which resulted in a revenue setback. The Group's profit margin was forced down as a result of the level of operational costs, lower sell through at full price, higher discounts and increased inventory write downs relative to last year.

In order to increase the Group's competitiveness, the Executive Board initiated in August 2008 a number of actions, of all which aimed at increasing earnings capacity and revenue. The actions concern:

- Rationalisation of the cost structure
- Adjustment of the distribution strategy
- Optimisation of the value chain

The subsequent market development has accentuated and increased the necessity of these actions. Based on these actions, the Executive Board believes that the Group will emerge stronger from the currently unfavourable market conditions.

RATIONALISATIONS

In the first quarter of 2008/09 significant rationalisations were carried through. First of all, the managements of InWear and Matinique were integrated under one Brand Director. The same was executed in Jackpot and Cottonfield. Secondly, the allocation of responsibilities between brands and sales countries was redefined with a view to placing unequivocally all operational sales responsibilities with the sales countries. Finally, a continuous adjustment of staff was made in, among others, stores and regional distribution centres. The adjustments have strengthened the executive momentum for new actions while at the same time reducing the cost base.

The Executive Board has decided to carry through rationalisations within two general areas in the third quarter:

- Discontinuation of loss-making activities
- Structural adjustments

The overall objective is to bring down base costs by DKK 200-250 million relative to the financial year 2007/08. The cost savings are expected to have full effect in the financial year 2009/10. Opening new stores will, however, result in a decreased effect on total cost savings.

A regrettable consequence of the actions mentioned in the above is that 140 employees will be terminated – of which 60 are in Denmark. In addition, 150 employees are expected to be transferred to new distributors. Furthermore, apart from the opening of new stores, since 1 August 2008 110 fulltime positions have been shed primarily related to natural wastage and by not replacing positions.

Divestment of non-performing activities
The non-performing activities in China and Spain are divested under their own auspices and are expected to be kept in operation by local distributors. The divestment is expected to be executed no later than in first half year of the financial year 2009/10. In addition, a modest number of non-performing own stores will be discontinued.

Structural adjustments
A number of structural adjustments will be carried out in the shared platform. Furthermore, a general adjustment of the Group's costs to the actual activity level is planned. These activities will be initiated presently and are expected to have full effect in the fi-

nancial year 2009/10. A detailed announcement will be published at the time of implementation.

DISTRIBUTION STRATEGY

A very significant element of the distribution strategy is to strengthen the cooperation with the Group's third party retailers. Concurrently with the opening of a controlled number of own stores, the number of franchise owned concept stores will be increased, and expanded cooperation with the remaining wholesale will be established.

More concept stores
In the next financial year, prioritisation is made to expansion to the number of own stores for Peak Performance and Jackpot. For Peak Performance, the expansion will primarily be in Scandinavia, and for Jackpot primarily in Poland, the Czech Republic and Hungary. At the present time, contracts have been made to open 16 new stores within the next 15 months.

To run the franchise expansion, the Group has developed a new franchise concept that fundamentally changes IC Companys' expansion strategy. The goal is to attract financially strong partners that each can open several stores without investment contributions from IC Companys. For the next financial year, franchise expansion is prioritised for Peak Performance, Jackpot, Saint Tropez, By Malene Birger and Companys stores.

Controlled wholesale
The Group's goal is to further develop third party retailer relations into a cooperation, which among other things entails the buying for third party retailer stores. For the autumn collection 2009, the Group brands have already worked out order suggestions to selected customers in each market. The initiative was well received and is expected to be extended gradually to include the main part of the Group's customers.

VALUE CHAIN OPTIMISATION

The following constitutes the three focus areas.

Best practice in the collection development
This involves development of the collections to controlled wholesale and enhanced efficiency of the buying procedures of retail stores, including own retail. A key element is order suggestions determining both sales and buying.

Reduction of styles
Assortments offered for in-season sales (SSP) will be made more efficient. This will reduce the inventory tied up while at the same time increasing the Group's delivery capacity to the benefit of third party retailers.

Optimisation of Group sourcing
With a view to counter the pressure from falling selling currencies and rising sourcing currencies, the concentration of volume is also a focus area. The goal of the project is to retain the Group's gross margins at the existing high level.

REVENUE DEVELOPMENT

In the first half of the financial year revenue recorded DKK 2,041 million (DKK 2,015 million) equivalent to a 1% growth. Revenue growth is positively affected by net store openings amounting to DKK 29 million and adversely affected by exchange rate conversions of DKK 31 million.

Sales performance for own brands:

DKK million	Q2 2008/09	Q2 2007/08	Growth	H1 2008/09	H1 2007/08	Growth
Peak Performance	258	247	5%	597	548	9%
Tiger of Sweden	55	78	-29%	239	265	-10%
InWear	88	113	-23%	233	287	-19%
Jackpot	82	88	-8%	221	222	0%
Matinique	65	72	-10%	162	160	1%
Cottonfield	65	70	-7%	154	153	1%
Part Two	44	44	1%	119	106	12%
By Malene Birger	29	25	16%	104	88	19%
Saint Tropez	46	45	3%	90	78	16%
Soaked in Luxury	28	25	11%	61	55	12%
Designers Remix Collection	9	7	30%	40	33	20%
Total own brands	**769**	**814**	**-6%**	**2,020**	**1,995**	**1%**

The Group's own brands reported a modest progress of combined 1% in the first half year of the financial year. However, this does not reflect the substantial differences between the individual brands. While Tiger of Sweden and InWear have lost ground, Part Two, By Malene Birger, Saint Tropez, Soaked in Luxury and Designers Remix Collection all achieve double-digit growth rates. Tiger of Sweden is affected in particular on account of the significant share of men's suits and outerwear, including especially in-season sales to third party retailers.

Second quarter revenue developed negatively with a combined setback of 6%. The shift from growth in the first quarter to setback in the second quarter indicates that impacts derived from the financial crisis reached full-blown effect from mid-September to mid-December of 2008.

Sales performance for own brands per market:

DKK million	Q2 2008/09	Q2 2007/08	Growth	H1 2008/09	H1 2007/08	Growth
Sweden	159	185	-14%	424	453	-6%
Denmark	170	177	-4%	406	389	4%
Norway	57	71	-20%	194	186	4%
Holland	61	67	-9%	152	159	-4%
Finland	36	36	1%	106	94	13%
Germany	39	34	14%	103	91	13%
Belgium	42	43	-4%	103	106	-3%
UK and Ireland	29	30	-2%	89	94	-5%
Switzerland	24	18	34%	75	62	21%
Poland	34	34	-3%	66	63	4%
Canada	20	19	5%	57	55	3%
Austria	19	16	22%	41	36	16%
Russia	15	17	-13%	38	34	12%
France	11	11	-3%	29	27	5%
Spain	7	11	-35%	21	33	-35%
Other	46	45	3%	116	113	3%
Total own brands	**769**	**814**	**-6%**	**2,020**	**1,995**	**1%**

Revenue development at country level records double-digit growth rates in the first half of the financial year 2008/09 for Finland, Germany, Switzerland, Austria and Russia. It is particularly positive that Switzerland and Austria in the second quarter of the financial year 2008/09 report solid progress by a revenue growth of 34% and 22%, respectively.

Recording a setback of 35%, Spain accounts for the weakest development. As previously mentioned in the summary, the Executive Board has decided to transfer the activities in Spain to an external distributor.

In the second quarter of the financial year 2008/09 Sweden saw a decline of DKK 26 million. To a wide extent this is caused by a markedly weakened SEK, which accounts for 68% of the decline. The remaining part of the decline is due to an actual revenue decrease, to which primarily Tiger of Sweden contributes. A similar development was observed for the Norwegian market, for which revenue declined DKK 14 million in the second quarter of the financial year 2008/09. For Norway, a weakened NOK constitutes 62% of the decline. As the currency risks for SEK and NOK were hedged in the second quarter, the earnings loss is significantly lower.

Order intake
Order intake for 4 of 4 collections in 2008/09 was completed recording a combined growth of 1% relative to 2007/08:

Growth	12 months 2008/09	12 months 2007/08	12 months 2006/07
Peak Performance	11%	16%	22%
Tiger of Sweden	11%	43%	5%
InWear	-23%	1%	11%
Jackpot	-10%	-15%	-10%
Matinique	-2%	21%	16%
Cottonfield	-14%	8%	17%
Part Two	17%	11%	14%
By Malene Birger	15%	39%	32%
Soaked in Luxury	-5%	10%	9%
Designers Remix Collection	17%	28%	68%
Total own brands	**1%**	**12%**	**12%**

Peak Performance, Tiger of Sweden, Part Two, By Malene Birger and Designers Remix Collection all advance by double-digit growth rates. This progress is, unfortunately, counteracted by setbacks for InWear, Jackpot and Cottonfield.

Order intake for the summer collection 2009 was completed showing a setback of 21%. Order intake for the autumn collection 2009, which started early January, is also expected to be completed reporting a setback. Order intake is completed by mid-March 2009.

DISTRIBUTION CHANNELS

Wholesale operation
In the first half of the financial year, wholesale revenue came in at DKK 1,377 million (DKK 1,368 million) which corresponds to a growth of 1%. Pre-order revenue increased by 2%, and in-season sales decreased by 8%. Franchise revenue is included herein and records a decline of 1%.

The distribution channel profit of the wholesale operation is down by 14% to DKK 248 million (DKK 287 million) which equals a distribution channel profit margin of 18.0% (20.9%). The downturn in relative earnings is chiefly caused by discounts and returns, which has reduced the distribution channel profit margin by 1.2% percentage point.

During the first half year of the financial year 2008/09 the Group opened 5 new franchise net store openings.

	Wholesale		Retail		Outlet		Group	
DKK million	H1 2008/09	H1 2007/08	H1 2008/09	H1 2007/08	H1 2008/09	H1 2007/08	H1 2008/09	H1 2007/08
Revenue	1,377	1,368	580	576	84	71	2,041	2,015
Growth	*1%*		*1%*		*18%*		*1%*	
Distribution channel profit / (loss)	**248**	**287**	**14**	**77**	**4**	**17**	**266**	**381**
Distribution channel profit margin	*18.0%*	*20.9%*	*2.5%*	*13.4%*	*4.6%*	*24.3%*	*13.0%*	*18.9%*
Excluding non-recurring impacts	*20.6%*		*7.0%*		*5.8%*		*16.1%*	
Unallocated corporate costs*							(64)	(80)
Operating profit							**202**	**301**
EBIT margin							*9.9%*	*14.9%*

	Wholesale		Retail		Outlet		Group	
DKK million	Q2 2008/09	Q2 2007/08	Q2 2008/09	Q2 2007/08	Q2 2008/09	Q2 2007/08	Q2 2008/09	Q2 2007/08
Revenue	431	471	304	314	44	40	779	825
Growth	*-8%*		*-3%*		*10%*		*-5%*	
Distribution channel profit / (loss)	**(16)**	**33**	**13**	**56**	**(1)**	**7**	**(3)**	**95**
Distribution channel profit margin	*-3.7%*	*7.0%*	*4.3%*	*17.7%*	*-1.4%*	*17.2%*	*-0.4%*	*11.6%*
Excluding non-recurring impacts	*0.5%*		*11.6%*		*-1.4%*		*4.7%*	
Unallocated corporate costs*							(25)	(44)
Operating profit							**(28)**	**51**
EBIT margin							*-3.6%*	*6.2%*

* Unallocated corporate costs comprise IT, finance, HR and general management.

Retail operation

In the first half of the financial year retail revenue came to DKK 580 million (DKK 576 million) which corresponds to a growth of 1%. As a result of net store openings and expansions, retail revenue was positively affected by DKK 29 million. The development in same-store sales (organic revenue development) was in the second quarter of 2008/09 achieved by a setback of 8%. The decline in same-store sales was combined 4% in the first half year of the financial year.

Retail profit decreased by 82% to DKK 14 million (DKK 77 million) which equals a retail profit margin of 2.5% (13.4%). The deterioration is mainly owing to lower sell through at full price and higher discounts, but also impacts from new store openings.

During the first half year of 2008/09 the Group opened 31 new stores and closed 17, primarily in China, which has resulted in a total net store influx of 1,200 square metres. This brings the Group retail operations to 37,600 square metres distributed between 248 locations.

Outlet operation

Outlet operation came to DKK 84 million (DKK 71 million) which constitutes an 18% growth. Outlet profit decreased DKK 13 million, which equals an outlet profit margin of 4.6% (24.3%). Again, the heavy decline reflects that the economic crisis has necessitated increased discounts.

EARNINGS DEVELOPMENT

Decreasing gross profit
For the first half year, gross profit came to DKK 1,211 million (DKK 1,229 million) which corresponds to a decrease of 1%.

Gross margin was 59.3% (61.0%). The 1.7% percentage point setback is attributable to higher discounts and increased inventory write downs relative to last year. Of these write downs, non-recurring write downs made to Cottonfield Female constitute DKK 5 million in the first quarter and DKK 19 million in the second quarter, in which write downs were made to counter the increasing inventories.

Increased discounts and returns and also inventory write downs have more than offset the effect of lower sourcing currencies, which seen in isolation have benefited the gross margin by 1.9% percentage point relative to last year. The effect on gross margin from shifts across channels was neutral as compared to last year.

In order to ensure a healthy gross profit growth, a number of activities will be carried through in 2008/08.

Rising capacity costs
Capacity costs came to DKK 1,009 million (DKK 928 million), which translates to a 9% increase. The cost rate increased by 3.3% percentage points to 49.4% as measured against last year. Excluding non-recurring impacts amounting to DKK 42 million, the cost rate is, however, increased by 1.3% percentage point to 47.4% relative to last year.

The non-recurring impacts are partly owing to organisational rationalisations implemented in the first quarter (DKK 18 million), partly allowances for non-performing lease holds, write downs of furniture and equipment in, among others, non-performing stores, and a write down of goodwill in the second quarter of the financial year (DKK 19 million). Additionally, a marketing inventory (DKK 5 million) was recognised as a result of an interpretation of the international accounting standard IAS 38 adopted.

The underlying cost increase in the first half year of the financial year therefore constitutes DKK 39 million, and it is mainly attributable to the effect of more retail stores (DKK 32 million). In the second quarter, the underlying cost increase amounts to DKK 8 million. The effect of more retail stores constitute DKK 13 million and increased allowances for bad debts amount to DKK 8 million. The rationalisations carried out in 2008 alone therefore entail cost savings of DKK 13 million in the second quarter.

The Executive Board expects to significantly bring down costs in the second half year of the financial year.

Operating profit
Operating profit decreased to DKK 202 million (DKK 301 million) representing a fall of 33%. Adjusted for the non-recurring impacts of 66 DKK million mentioned in the above, EBIT margin came to 13.1% (14.9%).

Net financial items
Net financial items increased DKK 6 million to DKK 19 million (DKK 13 million). The increase is attributable to a higher interest rate level of combined DKK 4 million as a result of averagely higher utilisation of the Group's credit facilities. An averagely higher average interest rate level increased the financial costs DKK 2 million.

In the second quarter, net financial items came to DKK 4 million (DKK 8 million). Consequently, net financial items saw a positive development throughout the quarter. The development is due to settlements of forward currency contracts in consequence of unrealised sales, which resulted in a profit of DKK 7 million.

Income tax
Calculated income tax was recognised in the amount of DKK 56 million, which corresponds to 31% of the pre-tax profit.

Net result
Net result for the first half year decreased by 39% to DKK 127 million (DKK 207 million).

CASH FLOWS AND BALANCE SHEET

Balance sheet
Group assets decreased DKK 82 million to DKK 1,956 million as at 31 December 2008 (DKK 2,037 million). The decrease is mainly attributable to a reduction of the Group's non-current assets.

Non-current assets decreased DKK 68 million relative last year. The Group's deferred tax assets decreased DKK 58 million to DKK 81 million as at 31 December 2008. The development is due to the utilisation of deferred assets in 2008/09 (DKK 27 million) and the effect of calculated tax of unrealised profits from forward currency contracts recognised directly over equity (DKK 37 million). Fixed assets under construction increased DKK 30 million to DKK 50 million (DKK 20 million). This is mainly attributable to rising inventories for the interior to stores, showrooms and the relocation of the head quarter of Tiger of Sweden.

Current assets decreased DKK 14 million to DKK 1,185 million (DKK 1,199 million). The decrease should be seen in relation to the year-on-year increase of DKK 51 million in total inventory write downs and an increase in write downs of debtors of DKK 27 million. In consequence, the risk of further loss on these asset items is assessed to be limited.

In addition to this, cash funds reported a decrease of DKK 120 million to DKK 77 million. Adversely, other trade receivables increased to DKK 155 million (DKK 33 million), which chiefly reflects that the market value of the Group's financial instruments for currency hedging have increased.

Cash flows
Consolidated cash flows from operating activities in the first half year of the financial year were a decrease in inflow of DKK 36 million to DKK 134 million (an inflow of DKK 170 million). The development is primarily attributable to decreased earnings, which more than offset the reduced accumulation of working capital as compared to the first half year of 2007/08. Other adjustments comprise currency adjustments to the balance sheet and the increase of DKK 26 million owing to the considerable exchange rate fluctuations in the first half year of 2008/09.

Gross investments in the first half year of the financial year 2008/09 came to DKK 81 million (DKK 75 million), of which the interior design of stores and showrooms constitute DKK 66 million.

Cash flows from operating and investing activities were an inflow of DKK 53 million (an inflow of DKK 95 million), which corresponds to a deterioration of DKK 42 million relative to last year.

Cash flows from financing activities were an outflow of DKK 83 million (an outflow of DKK 76 million). In the first half of the financial year repurchased shares constituted DKK 13 million and dividend paid amounted to DKK 70 million, of which DKK 4 million were allocated to minority interests.

The total cash flow in the first half year was an outflow of DKK 31 million (an inflow of DKK 19 million).

Net interest-bearing debt
Consolidated net interest-bearing debt came to DKK 681 million DKK (DKK 538 million) which amounts to an increase of DKK 42 million relative to 30 June 2008 and 143 million relative to 31 December 2007. The increase is caused by a decrease in cash funds, which is mainly attributable to decreasing earnings owing to forced-down margins.

Cash situation
Consolidated credit lines constitute a total of DKK 1,226 million in non-committed withdrawal rights and DKK 168 in long-term debt against security in the corporate head office. The utilisation of the withdrawal rights has at no point in time exceeded 80%, including currency hedging instruments, bank guarantees and the like.

The Executive Board has initiated a project that aims at rationalising the working capital. This project is progressing according to plan and funds tied up in working capital is expected to be reduced DKK 150 million within 12 – 18 months. In conjunction with the cost rationalisation previously outlined, a reduction of the utilisation of credit lines is thus expected. The investment level will be retained in order to support future revenue growth.

Based on the above together with the Group's outlook, cash generation is expected to remain strong. Against this background the Executive Board estimates that an extended commitment on the consolidated credit lines is not required.

However, the future holds focus on reducing utilisation of consolidated credit lines and consequently, a decision was made not to pay dividends to the shareholders for the present, which is in keeping with the previous announcement that share buyback programmes are discontinued for the time being.

Equity
Equity is at 31 December 2008 decreased DKK 122 million to DKK 559 million. Equity ratio is at 31 December 2008 28.6% (33.4%).

At the Annual General Meeting of the Company 22 October 2008, the proposal to pay dividends amounting to DKK 66 million was passed, and dividends were subsequently paid.

Equity movements and the development in treasury shares are specified on page 16.

Purchase of shares by related parties
On the 24 and 25 November 2008, the company Friheden Invest A/S, owned by the Chairman of the Board of Directors, acquired 106,236 and 50.000 shares, respectively, at a total market value of DKK 9,374,160. The transaction was made at OMX – Nordic Exchange.

Reduction of share capital
At the Annual General Meeting of IC Companys held on 22 October 2008, a resolution was adopted to reduce the company's share capital by DKK 9,768,250 nominal value,

equivalent to the number of shares, 976,825, that had been bought back under the share buyback programmes during the period from 3 January to 27 July 2008.

As no objections against the capital reduction have been received within the three-month period, the reduction has now been registered at the Danish Commerce and Companies Agency as of 26 January 2009. A number of shares equivalent to the reduction of capital, 976,825 shares, has concurrently been cancelled.

After the completion of the reduction, the company's share capital is DKK 169,428,070 nominal value, consisting of 16,942,807 shares of DKK 10 nominal value each.

Shares of 49% sold to the company Designers Remix Collection A/S
IC Companys has entered into an agreement to sell 49% of its shares in the company Designers Remix Collection A/S to the daily management of the company, Creative Director Charlotte Eskildsen and her partner, Managing Director Niels Eskildsen.

The sale was made to support the future brand strategy and to ensure the long-term partnership with Charlotte and Niels Eskildsen. The change in ownership does not carry any affect on the full year revenue guidance to the current financial year.

A prerequisite for the transfer is approval of the transfer price by the tax authorities.

REESTIMATION FUTURE GUIDANCE

The outlook for 2008/09 is affected by uncertainty regarding the economic development in Europe and implementation of the business development and cost adjustment mentioned in the above.

For the full year 2008/09 expectations remain slightly lower revenue as compared to the financial year 2007/08. For the full year 2008/09, an operating profit in the region of DKK 110-160 million is expected taking into account the combined non-recurring impacts in the region of DKK 100-120 million (previously: significantly lower than in the financial year 2007/08).

Investments in the region of DKK 120-140 million will be carried through, primarily to direct sales promoting activities, including interior design of stores and showrooms.

The execution of the actions previously mentioned concerning rationalisation, distribution strategy and value chain is expected to result in positive consolidated earnings in 2009/10 as well as the investment rate is expected to be maintained.

Based on these actions, the Executive Board believes that the Group will emerge stronger from the currently challenging market conditions.

IC Companys A/S

Niels Martinsen
Chairman of the Board of Directors

Niels Mikkelsen
Chief Executive Officer

Further information

Niels Mikkelsen, Chief Executive Officer
Tel.: + 45 3266 7017

Chris Bigler, Chief Financial Officer
Tel.: + 45 3266 7721

STATEMENT OF THE MANAGEMENT

The Board of Directors and the Executive Board have considered and approved the interim financial report for the period 1 July 2008 - 31 December 2008.

The interim financial report is unaudited and has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU, cf. section on accounting polices and additional Danish interim reporting requirements for listed companies.

We consider the accounting policies applied to the effect that the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position as at 31 December 2008, and of the results of the Group's operations and cash flows in the period 1 July 2008 – 31 December 2008.

We further consider management's review to be a true and fair presentation of the development in the Group's operations and financial matters, the profit of the period and of the Group's financial position as a whole and describes material risks and elements of uncertainty pertaining to the Group.

Copenhagen, 22 February 2009

Executive Board:

Executive Board:

NIELS MIKKELSEN Chief Executive Officer	CHRIS BIGLER Chief Financial Officer	ANDERS CLEEMANN Executive Brand Officer

Board of Directors:

NIELS ERIK MARTINSEN Chairman	HENRIK HEIDEBY Deputy Chairman	OLE WENGEL Deputy Chairman

INCOME STATEMENT

		GROUP				
Note	DKK million	**Q2 2008/09**	**Q2 2007/08**	**H1 2008/09**	**H1 2007/08**	**12 months 2007/08**
2	**REVENUE**	**779.4**	**824.9**	**2,041.0**	**2,015.3**	**3,737.2**
6	Cost of sales	(322.4)	(320.7)	(830.0)	(786.3)	(1,478.4)
	GROSS PROFIT	**457.0**	**504.2**	**1,211.0**	**1,229.0**	**2,258.8**
3, 6	Staff costs	(225.9)	(222.2)	(477.3)	(448.4)	(931.2)
6	Depreciation, amortisation and writedown of fixed assets	(31.3)	(25.8)	(62.4)	(50.7)	(112.8)
6	Other operating expenses	(225.3)	(205.1)	(465.9)	(429.1)	(871.0)
	Other gains and losses	(2.7)	(0.1)	(3.3)	(0.2)	5.5
	OPERATING PROFIT	**(28.2)**	**51.0**	**202.1**	**300.6**	**349.3**
	Financial income	8.3	3.9	9.1	10.4	13.2
	Financial expenses	(12.7)	(12.1)	(28.0)	(23.7)	(45.1)
	PROFIT BEFORE TAX	**(32.6)**	**42.8**	**183.2**	**287.3**	**317.4**
	Income tax for the period	7.0	(12.0)	(56.3)	(80.5)	(93.4)
	PROFIT FOR THE PERIOD	**(25.6)**	**30.8**	**126.9**	**206.8**	**224.0**
	PROFIT ALLOCATION:					
		(23.1)	32.3	124.1	204.6	218.7
	Minority interest	(2.5)	(1.5)	2.8	2.2	5.3
		(25.6)	**30.8**	**126.9**	**206.8**	**224.0**
	EARNINGS PER SHARE					
	Earnings per share DKK	(1.6)	1.8	7.7	11.6	12.6
	Diluted earnings per share DKK	(1.6)	1.8	7.7	11.6	12.6
	Specification of revenue:					
	Continuing brands	769.1	813.7	2,020.4	1,994.6	3,698.3
	Discontinued brands	-	0.2	-	0.3	0.4
	External brands	10.3	11.0	20.6	20.4	38.5
	Total revenue	**779.4**	**824.9**	**2,041.0**	**2,015.3**	**3,737.2**

BALANCE SHEET - ASSETS

Note	DKK million	GROUP 31.12.2008	31.12.2007	30.06.2008
	NON-CURRENT ASSETS			
	Goodwill	177.4	198.5	198.2
	Software and IT systems	25.6	19.4	30.5
	Trademark rights	0.2	0.2	0.2
	Leasehold rights	19.6	20.6	22.5
	IT-systems and development	-	6.3	1.0
	Intangible assets	222.8	245.0	252.4
	Land and buildings	169.9	177.7	174.6
	Leasehold improvements	100.8	103.1	108.0
	Equipment and furniture	119.7	124.5	129.8
	Property, plant and equipment under construction	49.6	19.8	11.5
	Property, plant and equipment	440.0	425.1	423.9
	Financial assets	26.5	29.1	25.6
	Deferred tax assets	81.3	139.3	123.9
	Other non-current assets	107.8	168.4	149.5
	Total non-current assets	**770.5**	**838.5**	**825.8**
	CURRENT ASSETS			
4	Inventories	518.2	503.0	532.4
5	Trade receivables	335.1	376.9	296.7
	Income tax receivable	1.7	1.6	1.6
	Other receivables	154.8	33.1	35.0
	Prepayments	98.0	86.7	108.8
	Cash and cash equivalents	77.2	197.4	132.0
	Total current assets	**1,185.0**	**1,198.7**	**1,106.5**
	TOTAL ASSETS	**1,955.5**	**2,037.2**	**1,932.3**

BALANCE SHEET – EQUITY AND LIABILITIES

	GROUP		
DKK million	**31.12.2008**	**31.12.2007**	**30.06.2008**
EQUITY			
Share capital	179.2	185.0	179.2
Reserve for hedging transactions	89.1	(15.2)	(22.1)
Translation reserve	(97.9)	(20.5)	(23.9)
Retained earnings	380.6	526.0	331.8
Equity attributable to equity holders of the parent	**551.0**	**675.3**	**465.0**
Minority interest	**7.4**	**5.4**	**8.5**
Total equity	**558.4**	**680.7**	**473.5**
LIABILITIES			
Deferred tax liabilities	38.7	29.3	44.9
Retirement benefit obligations	5.9	5.9	5.7
Financial institutions	168.1	168.0	168.0
Non-current liabilities	212.7	203.2	218.6
Financial institutions	589.7	567.3	603.0
Trade payables	281.5	257.3	313.8
Income tax	8.3	13.1	45.4
Calculated income tax on the profit for the period	56.3	80.5	-
Other debt	248.6	235.1	278.0
Current liabilities	1,184.4	1,153.3	1,240.2
Total liabilities	**1,397.1**	**1,356.5**	**1,458.8**
TOTAL EQUITY AND LIABILITIES	**1,955.5**	**2,037.2**	**1,932.3**

MOVEMENTS IN EQUITY

DKK million	Share-capital	Reserve for hedging transactions	Translation reserve	Retained earnings	Total	Minority interest	Total
Equity at 1 July 2008	**179.2**	**(22.1)**	**(23.9)**	**331.8**	**465.0**	**8.5**	**473.5**
Currency translations of subsidiaries	-	-	(74.0)	-	**(74.0)**	-	**(74.0)**
Gain/loss on derivative financial instruments	-	111.2	-	-	**111.2**	-	**111.2**
Net income(loss) recognised directly on equity	-	111.2	(74.0)	-	**37.2**	-	**37.2**
Profit for the year	-	-	-	124.1	**124.1**	2.8	**126.9**
Total recognised income for the year	-	111.2	(74.0)	124.1	**161.3**	2.8	**164.1**
Share buy back	-	-	-	(13.1)	**(13.1)**	-	**(13.1)**
Paid dividend	-	-	-	(66.0)	**(66.0)**	(3.9)	**(69.9)**
Recognition of share-based payments	-	-	-	3.8	**3.8**	-	**3.8**
Equity at 31 December 2008	**179.2**	**89.1**	**(97.9)**	**380.6**	**551.0**	**7.4**	**558.4**

DKK million	Share-capital	Reserve for hedging transactions	Translation reserve	Retained earnings	Total	Minority interest	Total
Equity at 1 July 2007	**183.9**	**(4.7)**	**(10.7)**	**391.0**	**559.5**	**7.1**	**566.6**
Currency translations of subsidiaries	-	-	(9.8)	-	**(9.8)**	-	**(9.8)**
Gain/loss on derivative financial instruments	-	(10.5)	-	-	**(10.5)**	-	**(10.5)**
Net income(loss) recognised directly on equity	-	(10.5)	(9.8)	-	**(20.3)**	-	**(20.3)**
Profit for the year	-	-	-	204.6	**204.6**	2.2	**206.8**
Total recognised income for the year	-	(10.5)	(9.8)	204.6	**184.3**	2.2	**186.5**
Share buy back	-	-	-	(28.8)	**(28.8)**	-	**(28.8)**
Paid dividend	-	-	-	(70.0)	**(70.0)**	(3.9)	**(73.9)**
Recognition of share-based payments	-	-	-	3.8	**3.8**	-	**3.8**
Issue of share-based payment plans	1.1	-	-	25.4	**26.5**	-	**26.5**
Equity at 31 December 2007	**185.0**	**(15.2)**	**(20.5)**	**526.0**	**675.3**	**5.4**	**680.7**

Development in treasury shares	
Treasury shares 30 June 2008	1,318,882
Cancellation of shares bought back	976,825
Treasury shares 22 February 2009	**342,057**

At the Annual General Meeting of the company 22 October 2008, the proposal of the Board of Directors to reduce the share capital by the number of shares repurchased un-der the share buyback programme carried out from 3. januar 2008 to 29 Juli 2008 was adopted. The decision is filed with the Commerce and Companies Agency. As no material claims were raised within 3 months from publication, the reduction of the share capital was effected 26 January 2009 with the Commerce and Companies Agency. After the reduction the number of own shares is DKK 16,942,807 nominal value DKK 10.

GROUP CASH FLOW STATEMENT

DKK million	Q2 2008/09	Q2 2007/08	H1 2008/09	H1 2007/08	12 months 2007/08
	GROUP				
CASH FLOW FROM OPERATING ACTIVITIES					
Operating profit	(28.2)	51.0	202.1	300.6	349.3
Reversed depreciation and impairment losses and profit/(loss) on sale of non-current assets	34.0	25.8	65.7	50.9	112.8
Reversed cost for share-based payment plans	1.9	1.9	3.8	3.7	6.2
Other adjustments	(30.2)	(11.4)	(34.6)	(8.4)	(9.4)
Change in working capital	409.4	240.3	(55.1)	(138.9)	(32.7)
Cash flow from operating activities before financial items	386.9	307.6	181.9	207.9	426.2
Financial income received	8.3	6.8	9.1	11.0	12.9
Financial expenses paid	(12.3)	(12.8)	(27.8)	(24.7)	(45.3)
Cash flow from ordinary activities	382.9	301.6	163.2	194.2	393.8
Income tax paid	(13.7)	(17.1)	(29.7)	(24.3)	(53.8)
Total net cash flow from operating activities	**369.2**	**284.5**	**133.5**	**169.9**	**340.1**
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of intangible assets	(2.0)	(8.3)	(2.9)	(10.8)	(26.7)
Purchase of property, plant and equipment	(44.4)	(31.3)	(78.7)	(59.1)	(113.9)
Change in deposits and other financial assets	(1.3)	(1.8)	(0.9)	(5.1)	(1.2)
Purchase and sale of other non-current assets	(0.1)	0.2	1.5	0.3	3.4
Total net cash flow from investing activities	**(47.8)**	**(41.2)**	**(81.0)**	**(74.7)**	**(138.4)**
	321.4	**243.3**	**52.5**	**95.2**	**201.6**
CASH FLOW FROM FINANCING ACTIVITIES					
Share buyback	-	(13.6)	(13.1)	(28.9)	(237.8)
Dividends paid	(69.9)	(73.9)	(69.9)	(73.9)	(73.9)
Proceeds from excercise of share-based payment plans	-	-	-	26.4	26.4
Total net cash flow from financing activities	**(69.9)**	**(87.5)**	**(83.0)**	**(76.4)**	**(285.3)**
CASH FLOW FOR THE PERIOD	**251.5**	**155.8**	**(30.5)**	**18.8**	**(83.7)**
CASH AND CASH EQUIVALENTS					
Cash and cash equivalents, beginning of period	(755.4)	(526.0)	(471.0)	(389.6)	(389.6)
Currency translation adjustment of cash, beginning of period	(8.6)	0.3	(11.0)	0.9	2.3
Cash flow for the period	251.5	155.8	(30.5)	18.8	(83.7)
Cash and cash equivalents, end of period	**(512.5)**	**(369.9)**	**(512.5)**	**(369.9)**	**(471.0)**

NOTES

1. ACCOUNTING POLICIES

The interim financial report is prepared in accordance with IAS 34 ”Interim Financial Reporting” and additional Danish disclosure requirements to the interim financial reports for listed companies.

The accounting policies applied in the interim financial report are unchanged with respect to the Company’s Annual Report for 2007/08. For more information on the accounting policies, we refer to our Annual Report for 2007/08. A few reclassifications are made in the notes to the financial statements, which have had no affect on the income statement, the balance sheet and the equity in the comparative year.

2. SEASONABILITY

The Group’s business area is influenced by seasonal fluctuations. These fluctuations are attributable to seasonality in deliveries to wholesale customers and a sales season of the Group’s products that varies over the year in retail and outlet operations. The Group’s wholesale peak quarters are historically first and third quarter. By association, revenue and operating profit vary in the various reporting periods, and interim financial reports are not necessarily indicative of future trends. Results of the individual quarters are therefore not reliable sources in terms of projecting the Group’s development.

3. SHAREBASED REMUNERATION

Stock option grants in 2008/09

The Executive stock option programme for the current Executive Board comprised 142,302 stock options as at 30 June 2008.

The Board of Directors granted Anders Cleemann 30,000 stock options after his appointment to the Executive Team. The stock options granted give admittance to – in immediate continuation of the company’s release of the annual report for 2008/09, 2009/10 and 2010/11 – against payment in cash – to buy 10,000 shares annually.

By the use of the Black & Scholes model and under the assumption of an exercise price of DKK 163 plus 5% per annum, a volatility of 25 per cent annually, an expected yield percentage of 2.8% and a risk-free rate of return of 4.40 per cent annually, the market value of the stock options can be assessed to DKK 0.3 million.

The Board of Directors has also granted Peter Fabrin 30,000 stock options. The stock options granted give admittance to – in immediate continuation of the company’s release of the annual report for 2008/09, 2009/10 and 2010/11 11 – against payment in cash – to buy 10,000 shares annually.

By the use of the Black & Scholes model, and under the assumption of an exercise price of DKK 113 plus 5% per annum, a volatility of 35 per cent annually, an expected yield percentage of 4.1% and a risk-free rate of return of 4.0 per cent annually, the market value of the stock options can be assessed to DKK 0.3 million.

The Executive stock option programme to the previous Executive Board comprised as at 30 June 2008 60,000 unexercised stock options. In the financial year 2008/09, 40,000 stock options lapsed as unexercised stock options for one year cannot be transferred to a subsequent year.

4. INVENTORY

DKK million	GROUP 31.12.2008	31.12.2007	30.06.2008
Raw materials and consumables	15.0	25.1	35.3
Finished goods and goods for resale	351.3	325.3	361.7
Goods in transit	151.9	152.6	135.4
Inventories total	**518.2**	**503.0**	**532.4**

DKK million	GROUP 31.12.2008	31.12.2007	30.06.2008
Write downs at 1 July	98.6	90.9	90.9
Write downs, additions	57.2	26.3	62.7
Write downs, reversals	(18.2)	(31.1)	(55.0)
Write-downs total	**137.6**	**86.1**	**98.6**

5. TRADE RECEIVABLES

Movements in allowance for bad debt:

DKK million	GROUP 31.12.2008	31.12.2007	30.06.2008
Allowance 1 July	50.8	29.4	29.4
Change in allowance	18.4	10.3	35.6
Realised (loss)/gain	(5.8)	(3.4)	(14.2)
Allowance total	**63.4**	**36.3**	**50.8**

6. RESTRUCTURING COSTS

DKK million	GROUP 31.12.2008	31.12.2007	30.06.2008
Cost of sales	5.0	-	-
Staff costs	13.4	-	-
Depreciation, amortisation and writedown of fixed assets	1.0	-	-
Other operating expenses	3.8	-	-
			-
Total Writedowns	**23.2**	**-**	**-**

Profit for the first half year is affected by restructuring costs recognised in the first quarter in connection with the integration under joint management of, for one, Cottonfield and Jackpot, InWear and Matinique and the discontinuation of Cottonfield Female.