

# ANNOUNCEMENT TO THE COPENHAGEN STOCK EXCHANGE

24 November 2005

## IC Companys A/S Q1 Interim Report 2005/06

**Revenue derived from own brands grew by 9% in Q1. The Group posted a satisfactory operating profit increase of 32% during the quarter. The Group maintains its operating profit forecast for the full year.**

At its meeting 23 November 2005, the Board of Directors of IC Companys A/S considered and adopted the interim financial statements for the three months ended 30 September 2005.

- Revenue rose 7% to reach DKK 978 million (DKK 914 million). Revenue derived from own brands was up by 9%.
- The gross margin was DKK 558 million (57.0%), an increase of DKK 69 million (3.5 percentage points).
- Operating profit rose 32% to DKK 197 million (DKK 150 million).
- The earnings increase was attributable to a growing order volume and greater order efficiency, better overall sell-through figures, higher gross margins for all brands and distribution channels, and lower exchange rates for the sourcing currencies.
- Performance in the distribution channels Wholesale and Retail again improved significantly.
- Net interest-bearing debt was DKK 398 million (DKK 549 million), which was DKK 151 million lower (28%) than at 30 September 2004.

### Retention of full-year forecast

- For 2005/06, we retain our forecast of revenue in the region of DKK 3,000 million and an operating profit in the range of DKK 285–315 million (an EBIT margin of 9.5%-10.5%).
- Operating investments in the region of DKK 90 million are still scheduled for 2005/06. Furthermore, capital investments of approximately DKK 20 million are expected for the 2005/06 financial year.
- The free cash flow is still projected to be in the range of DKK 250-280 million.
- Share buyback programme is expected to commence at the beginning of January 2006.



## FINANCIAL HIGHLIGHTS AND KEY RATIOS

Effective 1 January 2005, the Group's accounting policies were changed to comply with the international financial reporting standards (IFRS).

This interim report has been presented in accordance with the recognition and measurement provisions of IFRS and Danish disclosure requirements for interim financial reporting for listed companies. The effect of the transition to IFRS for each quarter is described on pages 15-18 of this interim report.

DKK thousand	Q1 2005/06 3 months	Q1 2004/05 3 months	2004/05 12 months
<b>Income statement</b>			
Revenue	978.024	914.228	2.827.698
Gross profit	557.895	488.710	1.593.843
Operating profit before depreciation, amortisation & special items	215.690	167.165	252.423
Operating profit before special items	197.037	149.528	179.388
Operating profit	197.037	149.528	208.613
Net financial items	(3.463)	(5.938)	(23.976)
Profit/(loss) before tax	193.574	143.590	184.637
Profit/(loss) for the period	137.439	101.744	202.996
<b>Balance sheet</b>			
Non-current assets	623.230	552.233	618.208
Current assets	1.161.866	1.137.449	851.402
Total assets	1.785.096	1.689.682	1.469.610
Equity	663.426	374.643	536.737
Total liabilities	1.121.670	1.315.039	932.873
<b>Cash flow statement</b>			
Cash flow from operating activities	(73.917)	(30.433)	277.871
Cash flow from investing activities	(20.248)	(22.464)	(82.524)
Cash flow from operating and investing activities	(94.165)	(52.897)	195.347
Cash flow from financing activities	4.373	(1.141)	(3.026)
Cash flow for the period	(89.792)	(54.038)	192.321
<b>Key ratios</b>			
Gross margin (%)	57,0	53,5	56,4
EBITDA margin (%)	22,1	18,3	8,9
EBIT margin (%)	20,1	16,4	6,3
Return on equity (%)	22,9	31,0	49,7
Equity ratio (%)	37,2	22,2	36,5
Average capital employed including goodwill	1.031.286	930.581	895.282
Return on capital employed (%)	19,1	16,1	20,0
Net interest-bearing debt	398.375	549.267	313.408
Gearing (%)	60,0	146,6	58,4
<b>Share data*</b>			
Diluted average number of shares excluding treasury shares	18.722.481	18.030.049	18.207.731
Market price, end of period	294,5	50,0	275,0
Diluted earnings per share	7,3	5,6	11,1
Diluted cash flow per share	(3,9)	(1,7)	15,3
Diluted net asset value per share	35,1	20,6	28,7
Diluted price / earning	40,1	8,9	24,7
<b>Employees</b>			
Number of employees (full-time equivalents at the end of the period)	1.947	1.988	1.926

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 effect of IC Companys' programmes for share options and warrants has been included in the diluted values.

## PERFORMANCE IN Q1 2005/06

Revenue rose 7% to DKK 978 million (DKK 914 million). Net store closures reduced revenue by DKK 24 million, whilst currency translation increased revenue by DKK 6 million.

DKK million	Q1 2005/06	Q1 2004/05	Change
InWear	149	148	1%
Matinique	61	68	-9%
Jackpot	170	171	0%
Cottonfield	75	65	15%
Part Two	68	72	-6%
Peak Performance	205	183	12%
Tiger of Sweden	125	93	34%
Saint Tropez	42	34	24%
By Malene Birger	31	18	70%
Soaked in Luxury	24	24	4%
Designers Remix Collection	10	7	33%
Error	5	7	-22%
<b>Total own brands</b>	<b>965</b>	<b>890</b>	<b>9%</b>

The Group's own brands realized a substantial increase of 9%. By Malene Birger, Tiger of Sweden, Designers Remix Collection, Saint Tropez, Cottonfield and Peak Performance all recorded double-digit growth rates.

InWear and Jackpot recorded a flat sales development, while Matinique and Part Two have had a decline. In the first quarter, the net sales of these four brands continued to be negatively affected (DKK 24 million) by net store closures.

In spite of a name change as at 1 July 2005, Soaked in Luxury posted a satisfactory revenue increase of 4%.

Error declines due to the previously announced brand closure. External brands will continue to be reduced to the benefit of own brands in own stores.

**Sales performance own brands by market:**

DKK million	Q1 2005/06	Q1 2004/05	Change
Sweden	222	199	12%
Denmark	158	141	12%
Holland	97	104	-7%
Norway	74	54	37%
UK & Ireland	69	72	-5%
Finland	54	53	3%
Belgium	47	47	0%
Germany	46	39	17%
Switzerland	32	35	-10%
Canada	29	29	0%
Poland	25	25	1%
Spain	23	20	17%
Austria	16	14	13%
France	11	7	62%
Other	62	51	22%
<b>Total own brands</b>	<b>965</b>	<b>890</b>	<b>9%</b>

Performance was generally quite strong, also in terms of markets. The principal Scandinavian markets all recorded growth, while a setback was seen especially in Holland, the UK and Belgium. The performance has remained unsatisfactory in these three markets, and the Group has recruited new country managers within the past six months as part of a recovery plan.

The revenue decline in Switzerland was due to the Group's seven Companys concept stores in Switzerland being recognised as retail sales in Q1 2004/05. Instead, they are now recognised as wholesale revenue (franchise). Switzerland is progressing very satisfactorily as a franchise activity.

The decline in the Polish market has been halted. The Group's restructuring initiatives, involving increased full-price sales and a reduction of a number of stores, enhanced marketing activities, training programmes and appointing new management have yielded positive results and a same store sales increase of 13%.

Other markets are export markets, comprising Russia, Japan, Greece, the Ukraine, etc. and the now discontinued retail activities in Portugal and Lithuania. These export markets also witnessed satisfactory growth.

A high-priority area is Holland, Belgium and the UK where the setback is mainly caused by InWear and Matinique. In addition to the appointment of new country managers in all three markets, a number of turnaround efforts have been initiated.

Gross profit was DKK 558 million (DKK 489 million), which translates into a gross margin of 57.0% (53.5%).

The underlying improvement of the gross margin by 3.5 percentage points was the effect of the continued upward trend in selling prices, lower discounts, and fewer return and surplus products; a trend seen in all Group brands.

The Group's focus on better exploitation of the wholesale order volume yielded positive results in the reporting period. Overall exploitation of the order volume improved by approximately 3 percentage points compared with Q1 2004/05.

For Q1 2005/06, the Group's buying currency was hedged at a lower exchange rate than the same period 2004/05. Seen in isolation, this yielded an improvement in the Group's gross margin of about 2 percentage points for the quarter.

Costs totalled DKK 361 million (DKK 339 million), and the cost ratio was maintained at 37% in spite of a growing volume of activity. To ensure continuing strong expansion in Tiger of Sweden, Peak Performance, By Malene Birger and Saint Tropez, the Group increased its human resources as planned in Q1, and the higher revenue triggered an increase in agent commissions. The Group continued to scale up its marketing investments, increasing costs by DKK 19 million relative to Q1 2004/05.

Operating profit was DKK 197 million (DKK 150 million). The Group finds the solid operating profit increase of 32% satisfactory, including the fact that it is broadly founded – across brands, distribution channels and markets.

Financial items were reduced to a net expense of DKK 3 million (DKK 6 million) due to lower utilisation of credit facilities.

An estimated tax charge of DKK 56 million was recognised, equivalent to 29% of the pre-tax profit.

#### **Wholesale operation**

Q1 wholesale revenue rose 12% to DKK 742 million (DKK 662 million) distributed on all brands with the exception of Part Two, which declined in Q1. The revenue decline for this brand is ascribable to Part Two Men.

The Q1 profit rose to DKK 204 million (DKK 158 million), equivalent to a profit margin of 27.5% (23.9%).

The completed order intake for the 2006 summer collection recorded total growth of 10%. For all collections during the financial year, the order intake was completed with an overall growth rate of 11% relative to 2004/05.

The order intake for collections in wholesale operations for delivery in the second to fourth quarters was completed with a satisfactory overall growth rate also of 11%.

	<b>Growth</b>
InWear	1%
Matinique	2%
Jackpot	1%
Cottonfield	19%
Part Two	-3%
Peak Performance	19%
Tiger of Sweden	25%
By Malene Birger	78%
Soaked in Luxury	12%
Designers Remix Collection	58%
<b>Total own brands</b>	<b>11%</b>

Cottonfield, Peak Performance, Tiger of Sweden, By Malene Birger, Soaked in Luxury and Designers Remix Collection continue the satisfactory progress.

InWear, Matinique and Jackpot have posted satisfactory progress in most markets. InWear and Matinique are still impacted by the retailer platform adjustments in the UK, Holland and Belgium. Likewise, Jackpot is impacted by the retailer platform adjustments, especially in Denmark and Finland.

Part Two consists of Part Two Women and Part Two Men. Part Two Women advanced by 1%, and the order intake for the 2006 summer collection shows a healthy development.

#### **Retail operation**

Retail revenue was down by 6% to DKK 204 million (DKK 217 million). Revenue was down by DKK 24 million due to net store closures. Same-store sales rose by 5% in Q1 (organic sales growth). The development was negatively affected by the performance in Holland, Belgium and Germany, while Poland, Sweden and Denmark all showed a satisfactory development.

The profit of the retail operation improved substantially by DKK 12 million to DKK 16 million (DKK 4 million), which is equivalent to a profit margin of 7.9% (2.0%).

The improvement reflected better sales through the stores, resulting in fewer discounts and surplus products. This was achieved through constantly improved management of purchasing and better merchandising. To this should be added the positive effect of the closure of unprofitable stores.

In spite of five consecutive quarters of growth, the earnings level for the retail operation remained unsatisfactory.

Nine unprofitable stores were closed in Q1, while six new stores were opened. Furthermore, ten shop-in-shops owned by third parties were transferred to own retail operations on concession terms.

#### **Outlet operation**

Revenue from the outlet operations fell 9% to DKK 32 million (DKK 35 million). The Q1 profit from the outlet operation was DKK 6 million (DKK 8 million), equivalent to a profit margin of 18.9% (22.2%).

The performance of the outlet stores is expected to improve as a result of the Group's new sorting and picking inventory facility for surplus products.

#### **Cash flows and net interest-bearing debt**

Operating activities generated a cash outflow of DKK 74 million (an outflow of DKK 30 million). The performance was in line with expectations, owing to a very low level of inventories and low trade receivables at 30 June 2005. At 30 September, the amount of capital tied up in these operating activities was maintained at the same level as in 2004 in spite of a substantial rise in activities.

Gross investments in Q1 totalled DKK 33 million (DKK 16 million). Most of the investments were spent on decorating stores. The Group's property in Portugal was sold in Q1 at a small gain relative to the carrying amount.

The Q1 cash flow from financing activities was an inflow of DKK 4 million (outflow of DKK 1 million), as shares with a total value of DKK 6 million were issued in connection with the exercise of share incentive plans.

The Group posted a total cash outflow in Q1 of DKK 90 million (outflow of DKK 54 million).

Net interest-bearing debt was DKK 398 million (DKK 549 million), which was a satisfactory DKK 151 million reduction (28%) compared with the level at 30 September 2004.

### Balance sheet

Consolidated assets rose by DKK 95 million from DKK 1,690 million at 30 September 2004 to DKK 1,785 million at 30 September 2005. The increase covered movements in both non-current and current assets.

The Group's deferred tax assets were increased by DKK 60 million at 30 June 2005. Investments in store decoration exceeded depreciation amounts during the period.

Inventories were unchanged, while trade receivables were up by 2% (DKK 11 million), which was a much smaller increase than the 12% growth in wholesale revenue posted in Q1.

### Movements in equity

Movements in equity during the period are shown in the table below:

DKK million	2005/06	2004/05
<b>Equity as at 1 July</b>	<b>537</b>	<b>281</b>
Profit/(loss) for the period	137	102
Currency translation of subsidiaries	3	3
Proceeds from issue of employee warrants	6	0
Value adjustment of currency hedging instruments	(21)	(11)
Share-based payments	1	0
<b>Equity as at 30 September</b>	<b>663</b>	<b>375</b>

Equity had increased by DKK 126 million at 30 September 2005, and the equity ratio had consequently improved to 37.2%, from 22.2% at 30 September 2004.

Executives in the Group exercised rights under the share incentive plans in the autumn of 2005, causing an increase in equity by DKK 18 million, of which DKK 6 million was recognised at 30 September 2005.

During the period, the Group exercised forward exchange contracts with a positive market value, which were recognised in equity at 30 June 2005. This had an adverse impact on equity during the quarter.

### Share buyback

As announced in the annual report for 2004/05, IC Companys A/S is planning to launch a share buyback programme in 2006.

The Group's cash position is developing as expected, and the bank debt is expected to reach DKK 200 million at 31 December 2005. Consequently, the buyback programmes are expected to commence at the beginning of January 2006 and are expected to amount to approximately DKK 200 million in the period until 31 July 2006.

The first buyback is expected to amount to DKK 50 million and to be carried out in the period from early January until the announcement of half-year results on 23 February 2006.

## OUTLOOK FOR THE FULL-YEAR 2005/06

For 2005/06, the revenue forecast remains unchanged in the region of DKK 3,000 million and an operating profit in the range of DKK 285–315 million (an EBIT margin of 9.5%-10.5%).

Operating investments in the region of DKK 90 million are still scheduled for 2005/06. Furthermore, capital investments of DKK 20 million are expected for the 2005/06 financial year.

Based on the above, the free cash flow is still estimated to be in the range of DKK 250-280 million.

### IC Companys A/S

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President & CEO

### Contacts

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*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*



## STATEMENT BY THE MANAGEMENT

The Board of Directors and the Executive Board today considered and adopted the interim report for the three months ended 30 September 2005.

The interim report, which is unaudited, is presented in accordance with the recognition and measurement provisions of the International Financial Reporting Standards (IFRS) and additional Danish interim financial reporting requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the Group's financial position at 30 September 2005 and of the Group's operations and cash flows for the three months ended 30 September 2005.

Copenhagen, 23 November 2005

Executive Board:

HENRIK THEILBJØRN  
President & CEO

MIKKEL V. OLESEN  
Chief Operating Officer

Board of Directors:

NIELS ERIK MARTINSEN  
Chairman

HENRIK HEIDEBY  
Deputy Chairman

OLE WENGEL  
Deputy Chairman

ANDERS COLDING FRIIS

NIELS HERMANSEN

LEIF JUUL JØRGENSEN

## DISTRIBUTION CHANNELS

The Group has three distribution channels: Wholesale, Retail and Outlets.

Wholesale comprises sales to two distribution forms, namely independent retailers and concept stores.

Retail comprises the Group's own stores. Outlets handle sales of excess products after the close of seasons.

The profit/(loss) of each distribution channel shows revenue less cost of sales and selling and distribution costs and administrative expenses directly attributable to each distribution channel.

Revenue in Retail and Outlet is decreasing due to store closures.

2005/06					
DKK million	Wholesale	Retail	Outlet	Unallocated	Group
Revenue	742	204	32		978
<b>Distribution channel profit/(loss)</b>	<b>204</b>	<b>16</b>	<b>6</b>		<b>226</b>
<i>Distribution channel profit margin</i>	<i>27.5%</i>	<i>7.9%</i>	<i>18.9%</i>		<i>23.1%</i>
Corporate costs*				(29)	(29)
<b>Operating profit</b>					<b>197</b>
<i>EBIT margin</i>					<i>20.1%</i>

  

2004/05					
DKK million	Wholesale	Retail	Outlet	Unallocated	Group
Revenue	662	217	35		914
<b>Distribution channel profit/(loss)</b>	<b>158</b>	<b>4</b>	<b>8</b>		<b>170</b>
<i>Distribution channel profit margin</i>	<i>23.9%</i>	<i>2.0%</i>	<i>22.2%</i>		<i>18.6%</i>
Corporate costs*				(20)	(20)
<b>Operating profit</b>					<b>150</b>
<i>EBIT margin</i>					<i>16.4%</i>

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

## INCOME STATEMENT

DKK thousand	GROUP		
	Q1 2005/06	Q1 2004/05	12 months 2004/05
<b>REVENUE</b>	<b>978,024</b>	<b>914,228</b>	<b>2,827,698</b>
Cost of sales	(420,129)	(425,518)	(1,233,855)
<b>GROSS PROFIT</b>	<b>557,895</b>	<b>488,710</b>	<b>1,593,843</b>
Staff costs	(169,094)	(157,220)	(676,165)
Depreciation, amortisation and writedown of fixed assets	(18,652)	(17,636)	(73,035)
Other operating expenses	(175,445)	(165,149)	(665,039)
Other gains and losses	2,333	823	(216)
<b>OPERATING PROFIT/(LOSS) BEFORE SPECIAL ITEMS</b>	<b>197,037</b>	<b>149,528</b>	<b>179,388</b>
Special items	0	0	29,225
<b>OPERATING PROFIT</b>	<b>197,037</b>	<b>149,528</b>	<b>208,613</b>
Net financial items	(3,463)	(5,938)	(23,976)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>193,574</b>	<b>143,590</b>	<b>184,637</b>
Income tax for the period	(56,135)	(41,846)	18,359
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>137,439</b>	<b>101,744</b>	<b>202,996</b>
Diluted earnings per share DKK	7.3	5.6	11.1
Specification of revenue:			
Own brands	965,469	890,144	2,768,966
External brands	10,796	22,594	50,458
Licence fee	1,759	1,490	8,274
<b>I alt</b>	<b>978,024</b>	<b>914,228</b>	<b>2,827,698</b>

## BALANCE SHEET – ASSETS

DKK thousand	GROUP		
	30.09.2005	30.09.2004	30.06.2005
<b>NON-CURRENT ASSETS</b>			
Goodwill	170,620	173,774	169,443
Software and IT systems	27,299	27,634	29,584
Trademark rights	271	306	280
Leasehold rights	27,744	37,847	29,309
<b>Intangible assets</b>	<b>225,934</b>	<b>239,561</b>	<b>228,616</b>
Land and buildings	32,832	25,393	39,672
Leasehold improvements	105,102	89,375	93,545
Equipment and furniture	63,589	61,532	59,168
<b>Property, plant and equipment</b>	<b>201,523</b>	<b>176,300</b>	<b>192,385</b>
Shares	231	210	231
Deposits, etc.	27,996	27,498	28,836
Deferred tax assets	167,546	108,664	168,140
<b>Other non-current assets</b>	<b>195,773</b>	<b>136,372</b>	<b>197,207</b>
<b>Total non-current assets</b>	<b>623,230</b>	<b>552,233</b>	<b>618,208</b>
<b>CURRENT ASSETS</b>			
Inventories	327,137	328,309	350,796
Trade receivables	504,569	493,210	186,019
Income tax receivable	23,818	51,172	28,199
Other receivables	51,872	39,015	68,599
Prepayments	65,903	63,888	80,228
Cash and cash equivalents	188,567	161,855	137,561
<b>Total current assets</b>	<b>1,161,866</b>	<b>1,137,449</b>	<b>851,402</b>
<b>TOTAL ASSETS</b>	<b>1,785,096</b>	<b>1,689,682</b>	<b>1,469,610</b>

## BALANCE SHEET – EQUITY AND LIABILITIES

DKK thousand	GROUP		
	30.09.2005	30.09.2004	30.06.2005
<b>EQUITY</b>			
Equity attributable to shareholders of IC Companys A/S	663,426	374,643	536,737
<b>Total equity</b>	<b>663,426</b>	<b>374,643</b>	<b>536,737</b>
<b>LIABILITIES</b>			
Deferred tax liabilities	10,712	5,954	10,584
Provisions	0	4,576	0
Retirement benefit obligations	11,026	10,373	11,018
Financial institutions	4,581	8,238	5,280
Capitalised lease liability	50,414	39,435	51,196
<b>Non-current liabilities</b>	<b>76,733</b>	<b>68,576</b>	<b>78,078</b>
Financial institutions	529,723	662,843	391,373
Capitalised lease liability	2,223	606	3,120
Trade payables	176,358	154,765	242,307
Income tax	28,242	24,342	35,476
Calculated income tax on the profit for the period	56,135	41,755	0
Provisions	4,394	57,782	5,104
Other debt	247,862	304,370	177,415
<b>Current liabilities</b>	<b>1,044,937</b>	<b>1,246,463</b>	<b>854,795</b>
<b>Total liabilities</b>	<b>1,121,670</b>	<b>1,315,039</b>	<b>932,873</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,785,096</b>	<b>1,689,682</b>	<b>1,469,610</b>

## GROUP CASH FLOW STATEMENT

DKK thousand	GROUP		
	Q1 2005/06	Q1 2004/05	12 months 2004/05
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Operating profit/(loss) before special items</b>	197,037	149,528	179,388
Reversed depreciation and impairment losses and profit/(loss) on sale of non-current assets	16,319	18,063	81,080
Reversed cost for share-based payment plans	1,017	0	24,461
Other adjustments	(819)	235	159
Special items paid	(654)	(8,171)	(17,451)
Change in working capital	(281,900)	(188,422)	36,986
<b>Cash flow from operating activities before financial items</b>	<b>(69,000)</b>	<b>(28,767)</b>	<b>304,623</b>
Financial income received	2,628	1,994	9,293
Financial expenses paid	(5,439)	(7,453)	(28,463)
<b>Cash flow from ordinary activities</b>	<b>(71,811)</b>	<b>(34,226)</b>	<b>285,453</b>
Income tax received / paid	(2,106)	3,793	(7,582)
<b>Total net cash flow from operating activities</b>	<b>(73,917)</b>	<b>(30,433)</b>	<b>277,871</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Excess payment concerning prior acquisitions of enterprises	0	(7,000)	(7,000)
Purchase of intangible assets	(3,580)	(1,241)	(12,185)
Purchase of property, plant and equipment	(29,313)	(15,249)	(66,468)
Sale of other fixed assets	12,645	1,026	3,129
<b>Total net cash flow from investing activities</b>	<b>(20,248)</b>	<b>(22,464)</b>	<b>(82,524)</b>
<b>Total net cash flow from operating- and investing activities</b>	<b>(94,165)</b>	<b>(52,897)</b>	<b>195,347</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Instalments on and repayment of long-term debt	(1,742)	(1,141)	(11,434)
Proceeds from exercise of share based payment plans	6,115	0	8,408
<b>Total net cash flow from financing activities</b>	<b>4,373</b>	<b>(1,141)</b>	<b>(3,026)</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>(89,792)</b>	<b>(54,038)</b>	<b>192,321</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents, beginning of period	(253,812)	(447,192)	(447,192)
Currency translation adjustment of cash, beginning of period	222	(353)	1,059
Cash flow for the period	(89,792)	(54,038)	192,321
<b>Cash and cash equivalents, end of period</b>	<b>(343,382)</b>	<b>(501,583)</b>	<b>(253,812)</b>

## EFFECT OF TRANSITION TO IFRS

As of 1 July 2005, the accounting policies have been changed to comply with the requirements of the International Financial Reporting Standards, IFRS. This unaudited interim report has been prepared in accordance with the recognition and measurement provisions of IFRS as well as the Danish disclosure requirements regarding quarterly statements of listed companies.

The effect of the transition to IFRS and the accounting policies applied were explained in the annual report for 2004/05 in the section "Transition to IFRS in 2005/06". The accounting policies applied in this interim report are unchanged except for the changes explained in the annual report for 2004/05.

### Balance sheet

The table below shows the IFRS opening balance as of 1 July 2004 and the quarterly balance sheets of the financial year 2004/05 stated in accordance with IFRS. The effects in the opening balance and in the balance sheet as of 30 June 2005 compared to the previous accounting policies are described in the annual report for 2004/05.

DKK thousand	Previous policy 01.07.2004	IFRS effect	IFRS opening balance sheet 01.07.2004	Quarterly balance sheets in accordance with IFRS			
				30.09.2004	31.12.2004	31.03.2005	30.06.2005
Goodwill	171,999		171,999	173,774	174,732	172,487	169,443
Software and IT systems	28,222		28,222	27,634	29,383	29,147	29,584
Trademark rights	315		315	306	297	289	280
Leasehold rights	40,101		40,101	37,847	36,241	32,907	29,309
Land and buildings	25,360		25,360	25,393	24,664	24,944	39,672
Leasehold improvements	90,427		90,427	89,375	88,084	85,828	93,545
Equipment and furniture	60,038		60,038	61,532	59,679	60,471	59,168
Shares	208		208	210	245	240	231
Deposits, etc.	27,583		27,583	27,498	28,184	29,928	28,836
Deferred tax assets	108,721	-48	108,673	108,664	110,002	110,303	168,140
<b>Total non-current assets</b>	<b>552,974</b>	<b>-48</b>	<b>552,926</b>	<b>552,233</b>	<b>551,511</b>	<b>546,544</b>	<b>618,208</b>
Inventories	387,943		387,943	328,309	367,951	259,040	350,796
Trade receivables	200,956		200,956	493,210	241,465	440,176	186,019
Income tax receivable	53,007		53,007	51,172	33,871	44,999	28,199
Other receivables	40,986		40,986	39,015	23,619	39,087	68,599
Prepayments	62,790		62,790	63,888	60,178	103,441	80,228
Cash and cash equivalents	110,395		110,395	161,855	161,088	140,186	137,561
<b>Total current assets</b>	<b>856,077</b>	<b>0</b>	<b>856,077</b>	<b>1,137,449</b>	<b>888,172</b>	<b>1,026,929</b>	<b>851,402</b>
<b>TOTAL ASSETS</b>	<b>1,409,051</b>	<b>-48</b>	<b>1,409,003</b>	<b>1,689,682</b>	<b>1,439,683</b>	<b>1,573,473</b>	<b>1,469,610</b>
<b>EQUITY</b>							
Equity attributable to shareholders of IC Companys A/S	290,242	-9,424	280,818	374,643	381,589	498,792	536,737
<b>Total equity</b>	<b>290,242</b>	<b>-9,424</b>	<b>280,818</b>	<b>374,643</b>	<b>381,589</b>	<b>498,792</b>	<b>536,737</b>
<b>LIABILITIES</b>							
Deferred tax liabilities	5,890		5,890	5,954	5,979	5,905	10,584
Provisions	6,101	-844	5,257	4,576	3,051	1,526	0
Retirement benefit obligations	0	10,220	10,220	10,373	10,373	10,373	11,018
Financial institutions	9,139		9,139	8,238	7,268	6,411	5,280
Capitalised lease liability	39,636		39,636	39,435	38,049	39,081	51,196
<b>Non-current liabilities</b>	<b>60,766</b>	<b>9,376</b>	<b>70,142</b>	<b>68,576</b>	<b>64,720</b>	<b>63,296</b>	<b>78,078</b>
Financial institutions	557,587		557,587	662,843	487,061	526,271	391,373
Capitalised lease liability	612		612	606	606	606	3,120
Trade payables	242,836		242,836	154,765	165,661	125,914	242,307
Income tax	21,826		21,826	24,342	6,722	8,623	35,476
Calculated income tax on the profit for the period	0		0	41,755	42,560	79,264	0
Provisions	66,218		66,218	57,782	41,437	38,185	5,104
Other debt	168,964		168,964	304,370	249,327	232,522	177,415
<b>Current liabilities</b>	<b>1,058,043</b>	<b>0</b>	<b>1,058,043</b>	<b>1,246,463</b>	<b>993,374</b>	<b>1,011,385</b>	<b>854,795</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,409,051</b>	<b>-48</b>	<b>1,409,003</b>	<b>1,689,682</b>	<b>1,439,683</b>	<b>1,573,473</b>	<b>1,469,610</b>

## EFFECT OF TRANSITION TO IFRS (CONTINUED)

### Statement of equity

DKK thousand	01.07.2004	30.09.2004	31.12.2004	31.03.2005	30.06.2005
Equity, previous policy	290,242	370,884	364,394	469,600	495,284
Pensions	-9,376	-9,376	-9,376	-9,376	-10,021
Goodwill	0	12,913	26,076	37,803	50,280
Leasehold rights	0	361	724	1,085	1,446
Tax effect of adjustments	-48	-139	-229	-320	-252
<b>Total equity, IFRS</b>	<b>280,818</b>	<b>374,643</b>	<b>381,589</b>	<b>498,792</b>	<b>536,737</b>



## EFFECT OF TRANSITION TO IFRS (CONTINUED)

### Income statement

The table below shows the effects of the transition to IFRS on the group income statement for each quarter. The effects of the transition to IFRS are described in the annual report for 2004/05. In addition to the effects described in the annual report for 2004/05, an income statement item has been reclassified since that licence fees are now recognised as revenue in pursuance of IAS 18. Previously, licence fees were recognised as other operating income. In 2004/05 licence fee comprised an amount of DKK 8.274k.

DKK thousand	Previous policy 2004/05	IFRS effect	IFRS 2004/05	Quarterly income statement in accordance with IFRS			
				Q1	Q2	Q3	Q4
Revenue	2,819,424	8,274	2,827,698	914,228	621,759	846,923	444,788
Cost of sales	-1,233,855	0	-1,233,855	-425,518	-275,395	-372,252	-160,690
<b>Gross profit</b>	<b>1,585,569</b>	<b>8,274</b>	<b>1,593,843</b>	<b>488,710</b>	<b>346,364</b>	<b>474,671</b>	<b>284,098</b>
Staff costs	-651,058	-25,107	-676,165	-157,220	-168,406	-160,341	-190,198
Depreciation, amortisation and writedown of fixed assets	-124,761	51,726	-73,035	-17,636	-18,141	-17,686	-19,572
Other operating expenses	-665,039	0	-665,039	-165,149	-155,601	-161,432	-182,857
Other gains and losses	8,058	-8,274	-216	823	-888	-2,028	1,877
<b>Operating profit/(loss) before special items</b>	<b>152,769</b>	<b>26,619</b>	<b>179,388</b>	<b>149,528</b>	<b>3,328</b>	<b>133,184</b>	<b>-106,652</b>
Special items	29,225	0	29,225	0	20,000	0	9,225
<b>Operating profit</b>	<b>181,994</b>	<b>26,619</b>	<b>208,613</b>	<b>149,528</b>	<b>23,328</b>	<b>133,184</b>	<b>-97,427</b>
Net financial items	-23,976	0	-23,976	-5,938	-7,123	-6,396	-4,519
<b>Profit/(loss) before tax</b>	<b>158,018</b>	<b>26,619</b>	<b>184,637</b>	<b>143,590</b>	<b>16,205</b>	<b>126,788</b>	<b>-101,946</b>
Income tax for the year / period	14,463	3,896	18,359	-41,846	-895	-36,795	97,895
<b>Profit/(loss) for the year / period</b>	<b>172,481</b>	<b>30,515</b>	<b>202,996</b>	<b>101,744</b>	<b>15,310</b>	<b>89,993</b>	<b>-4,051</b>

## EFFECT OF TRANSITION TO IFRS (CONTINUED)

### Key ratios

The table below shows key ratios of 2004/05 stated in accordance with IFRS.

DKK thousand	Q1 2004/05 3 months	Q2 2004/05 3 months	Q3 2004/05 3 months	Q4 2004/05 3 months	2004/05 12 months
<b>Cash flow statement</b>					
Cash flow from operating activities	(30,433)	189,118	(48,250)	167,436	277,871
Cash flow from investing activities	(22,464)	(38,550)	(15,161)	(6,349)	(82,524)
Cash flow from operating and investing activities	(52,897)	150,568	(63,411)	161,087	195,347
Cash flow from financing activities	(1,141)	670	2,720	(5,275)	(3,026)
Cash flow for the period	(54,038)	151,238	(60,691)	155,812	192,321
<b>Key ratios</b>					
Gross margin (%)	53.5	55.7	56.0	63.9	56.4
EBITDA margin (%)	18.3	3.5	17.8	(19.6)	8.9
EBIT margin (%)	16.4	0.5	15.7	(24.0)	6.3
Return on equity (%)	31.0	4.0	20.4	neg	49.7
Equity ratio (%)	22.2	26.5	31.7	36.5	36.5
Average capital employed including goodwill	930,581	912,403	914,494	963,797	895,282
Return on capital employed (%)	16.1	0.4	14.6	neg	20.0
Net interest-bearing debt	549,267	371,896	432,183	313,408	313,408
Gearing (%)	146.6	97.5	86.6	58.4	58.4
<b>Share data</b>					
Diluted average number of shares excluding own shares	18,030,049	18,116,068	18,216,312	18,458,503	18,207,731
Market price per share at end of period	50.0	105.0	129.9	275.0	275.0
Diluted earnings per share	5.6	0.8	4.9	(0.2)	11.1
Diluted cash flow per share	(1.7)	10.4	(2.6)	9.1	15.3
Diluted net asset value per share	20.6	20.8	27.1	28.7	25.7
Diluted price / earnings	8.9	125.3	26.5	neg	24.7