




Q1 2011/12
Information Meeting

November 2011

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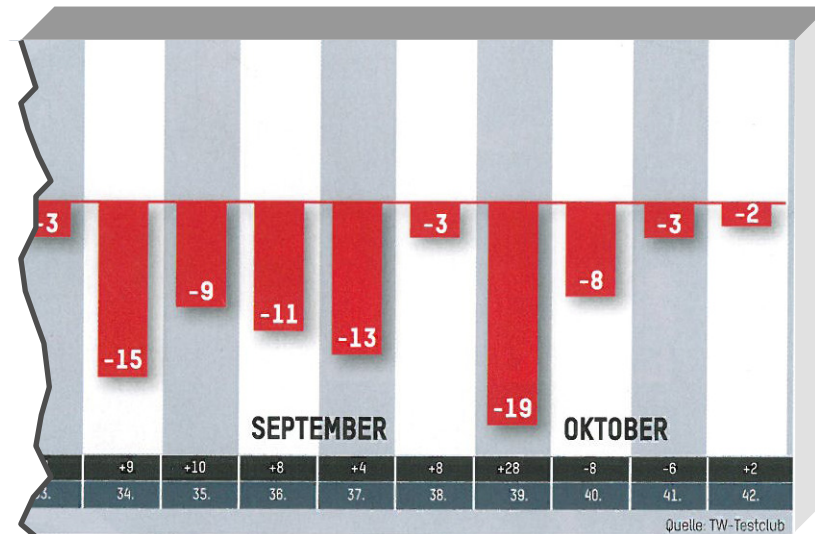
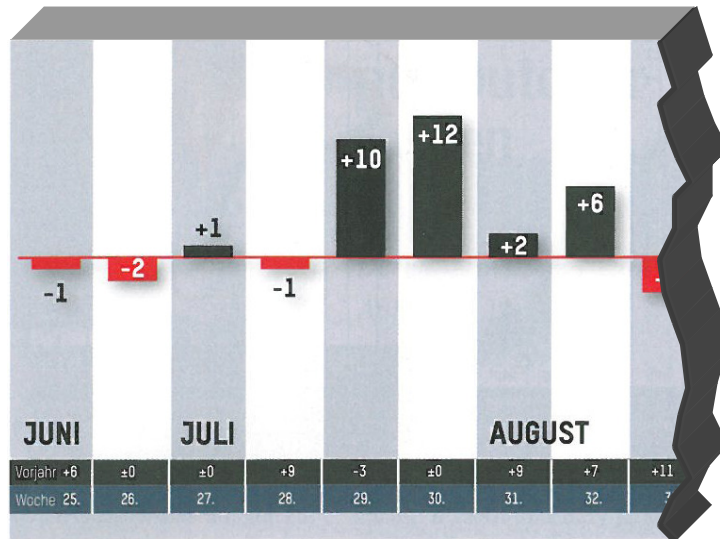
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Financial Achievements Q1 2011/12

	2011/12	2010/11
Revenue down by 3% to	DKK 1,175 m	DKK 1,216m
Gross Margin down by 2.4pp to	57.0%	59.4%
Costs up by 6% to	DKK 523 m	DKK 495m
EBIT down by 36% to	DKK 147 m	DKK 227m

The Group Has Suffered from a Sudden Drop in Consumer Spending Due to Weather and the Current Debt Crisis

Symptomatic retail development in Germany



- Positive same-store figures in most markets
- Trajectory set on growth

- Sharp decline in consumer confidence and traffic

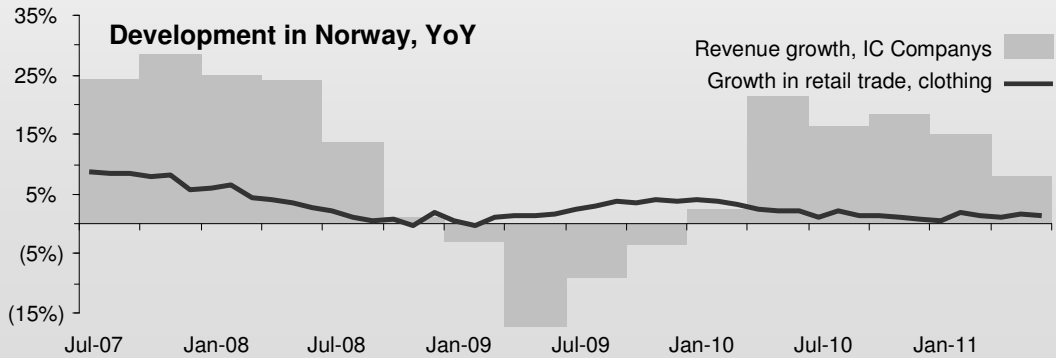
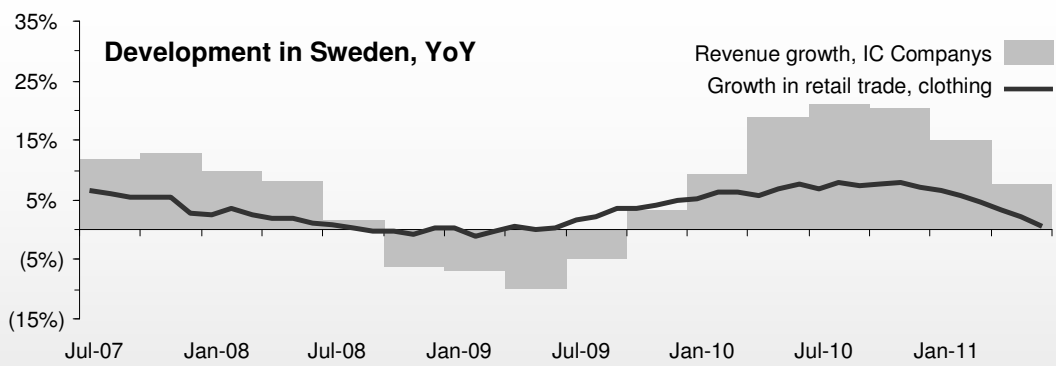
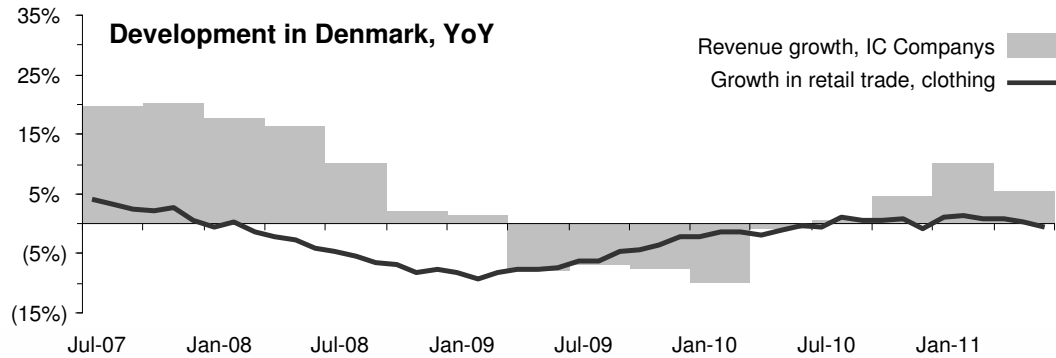
IC Companys Gains Market Share due to Effective Campaign Activities

Flat development in revenue FY 2011/12

- Significant drop in consumer confidence
- Increased campaign activity to secure revenue

Group performance in **main markets** above development in retail trade

- IC Companys continues to gain market share



Operational Achievements Q1 2011/12

Negative gross margin development

- External sourcing pressure
- Campaign activities to secure revenue
- Future positive impact from sourcing project

Management change in **Peak Performance**

- Focus on internal processes and 7 disciplines

No loss-making brands in 2011/12

- Clear prioritisation of costs in brands and service platform

Controlled space increased by 2,600 m² with focus on **franchise**

- 13 out of 20 new stores opened are franchise
- 4 retail and franchise stores closed
- Retail prioritisation in core markets

Guidance FY 2011/12

Challenging markets and **high uncertainty** expected to continue

- Significant change in consumer spending
- Continuation of campaign activities to secure revenue

Further **structural changes** following corporate strategy **expedited**

- Full year effect on EBIT of DKK 50m
- Non-recurring costs of DKK 23m after proceeds

Revenue in the range of DKK **3.9 – 4.0b**

- Previously DKK 4.1 – 4.3b

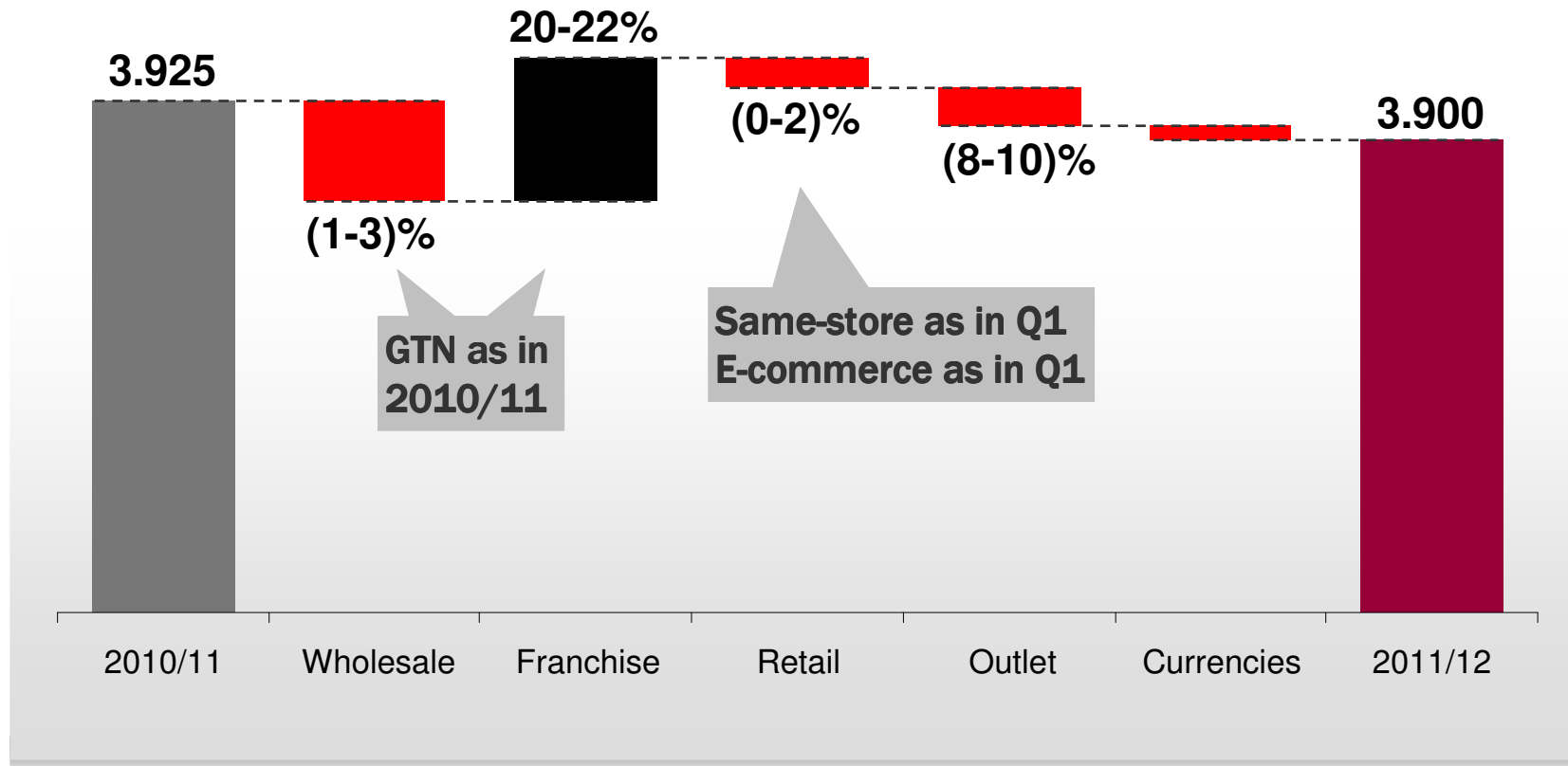
EBIT in the range of DKK **250 – 300m** after non-recurring costs

- Previously DKK 360 – 410m

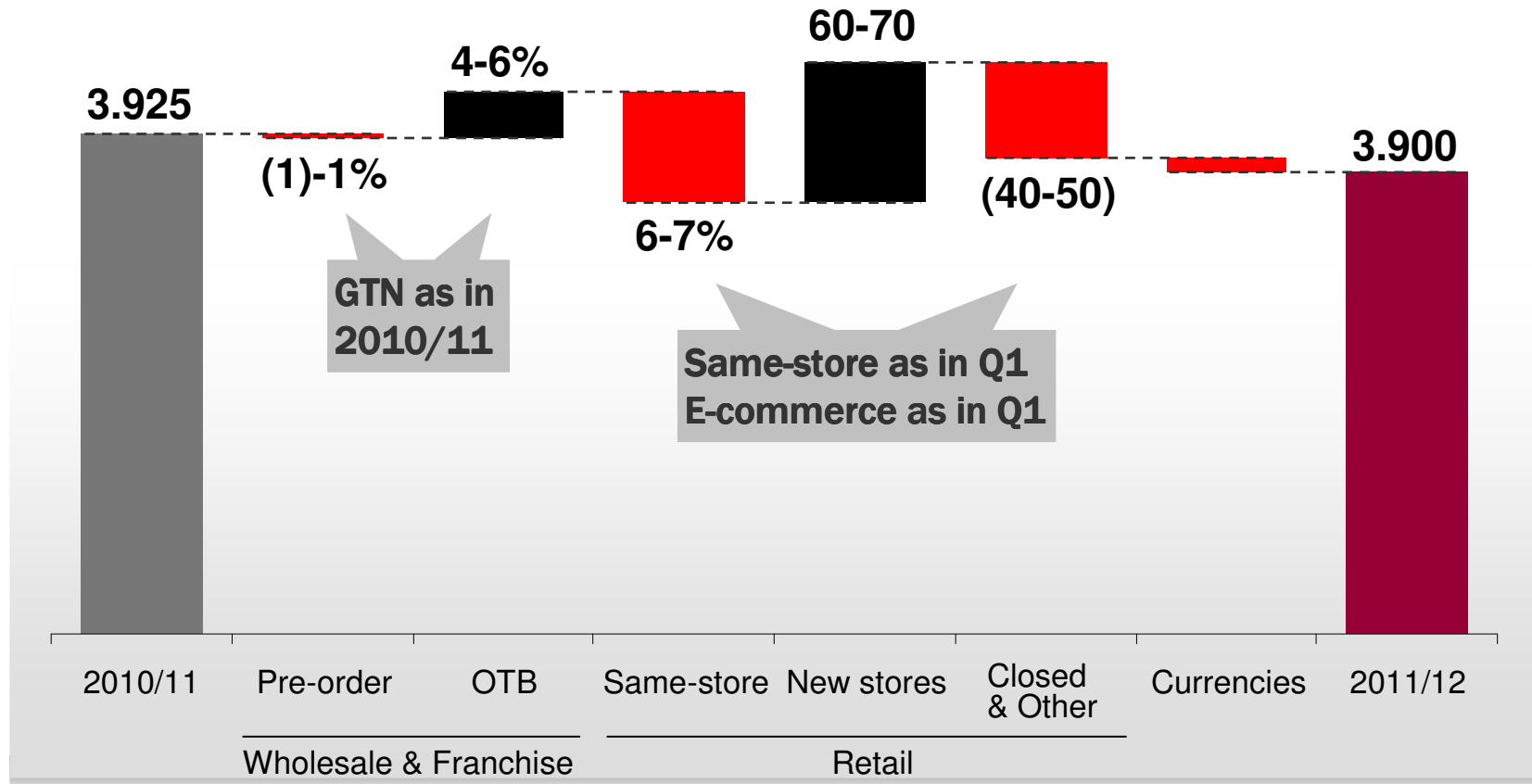
Investments in the range of DKK **90 – 110m**

- Previously DKK 90 – 120m

Channel Split of Floor of Revenue Guidance FY 2011/12



Distribution Split of Floor of Revenue Guidance FY 2011/12

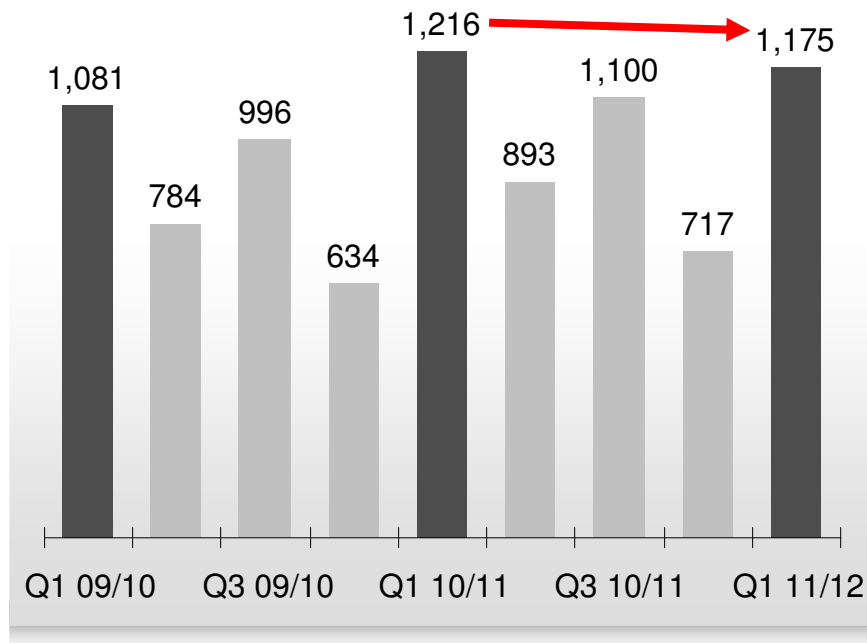


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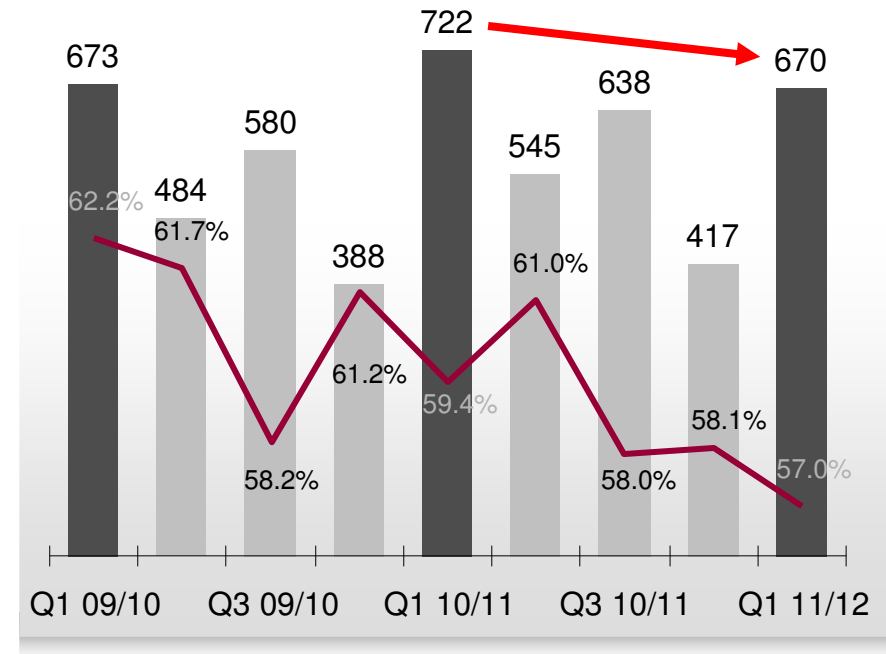
Revenue Affected by Low Consumer Confidence While GM Decreased due to Clearance Activities and Sourcing Pressure

Quarterly revenue, DKKm



- Revenue down by 3% to DKK 1,175m
- Positive currency effects of DKK 13m
- Net store openings of DKK 3m
- Shift in deliveries of DKK 24m

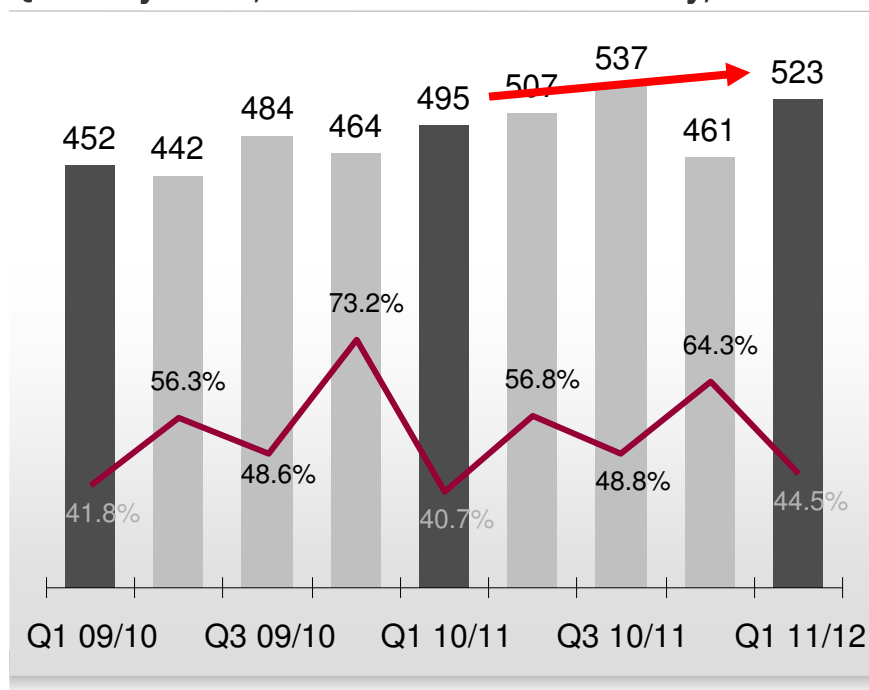
Quarterly gross profit, DKKm and gross margin, %



- Gross profit down by 7% to DKK 670m
- Gross margin down by 2.4pp to 57.0% (2.0pp presupposed)
- Price pressure and substantial clearance activities

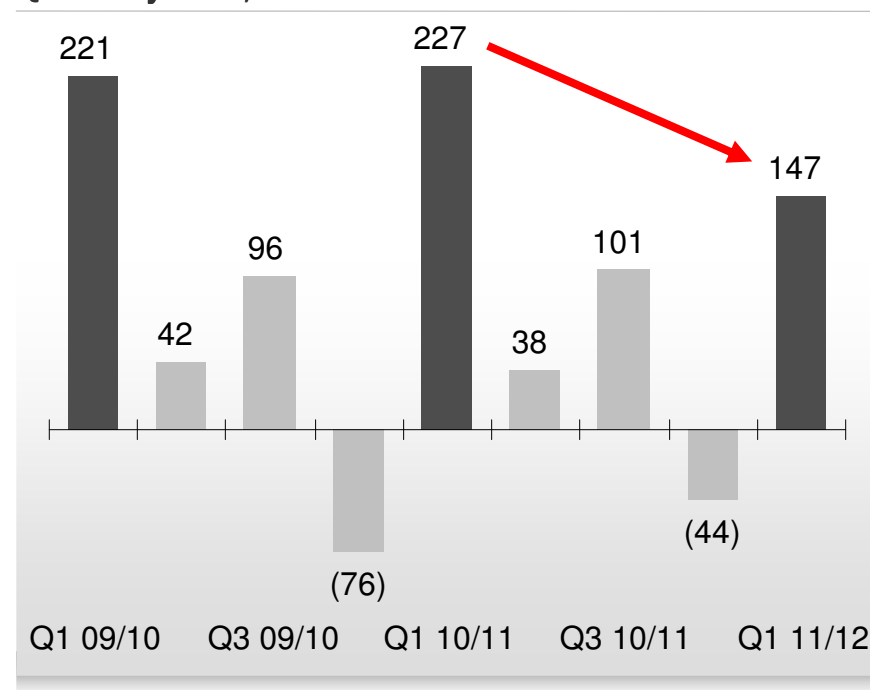
Profitability Decreased More Than Expected due to Drop in Revenue and Margin Pressure

Quarterly OPEX, DKKm and OPEX efficiency, %



- OPEX up by 6% to DKK 523m
- Currency effects and provisions of DKK 8m
- Net store openings of DKK 10m
- Lease proceeds of DKK 8m 2010/11

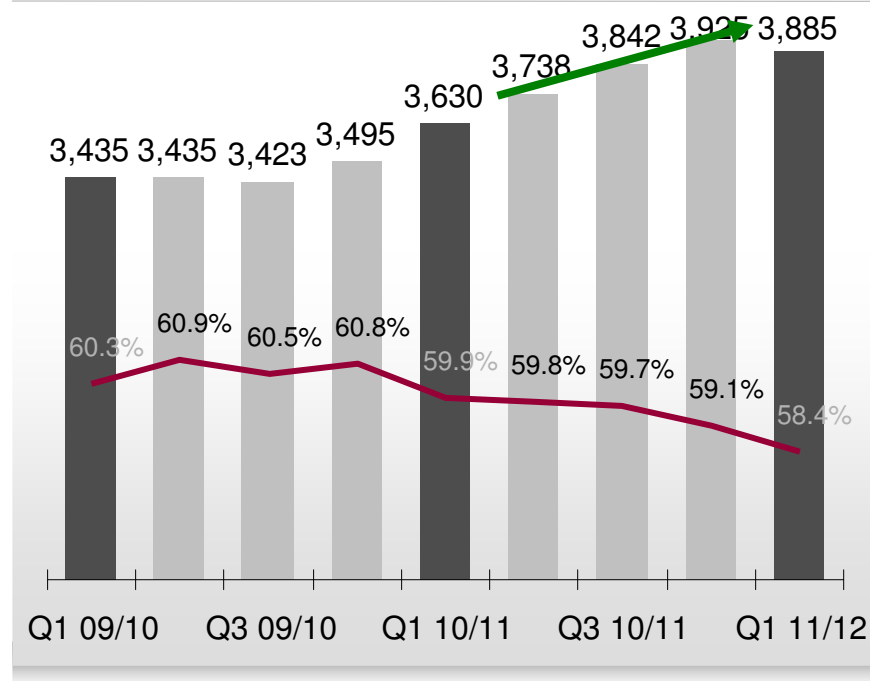
Quarterly EBIT, DKKm



- EBIT down by 36% to DKK 147m
- EBIT margin down by 6.2pp

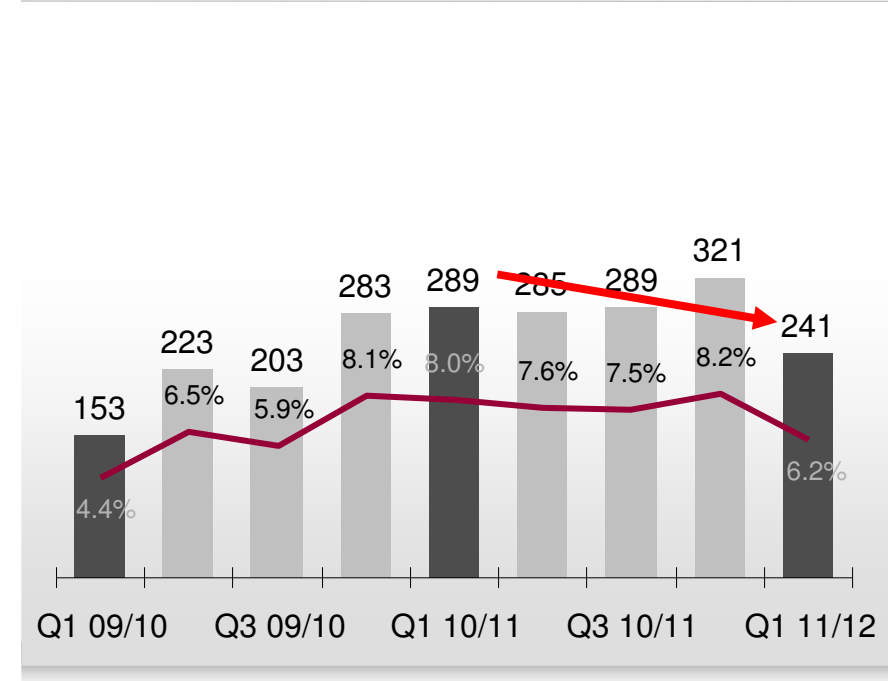
Revenue Performance Reflects Macro Development and Aggravates Gross Margin Pressure

Ttm revenue, DKKm and gross margin, %



- Ttm revenue up by 7% to DKK 3,885m
- Ttm gross margin down by 1.5pp to 58.4%

Ttm EBIT, DKKm and EBIT margin, %

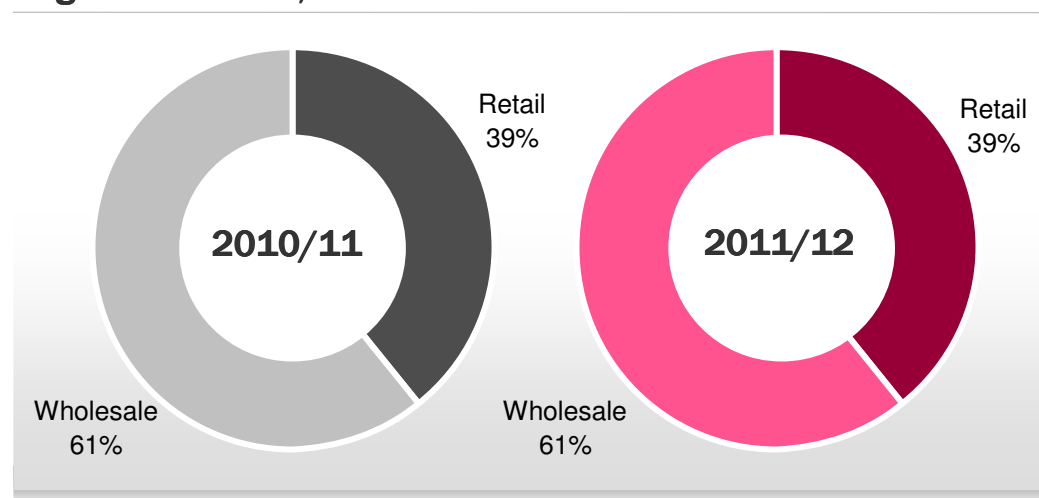


- Ttm EBIT down by 17% to DKK 241m
- Ttm EBIT margin down by 1.8pp to 6.2%

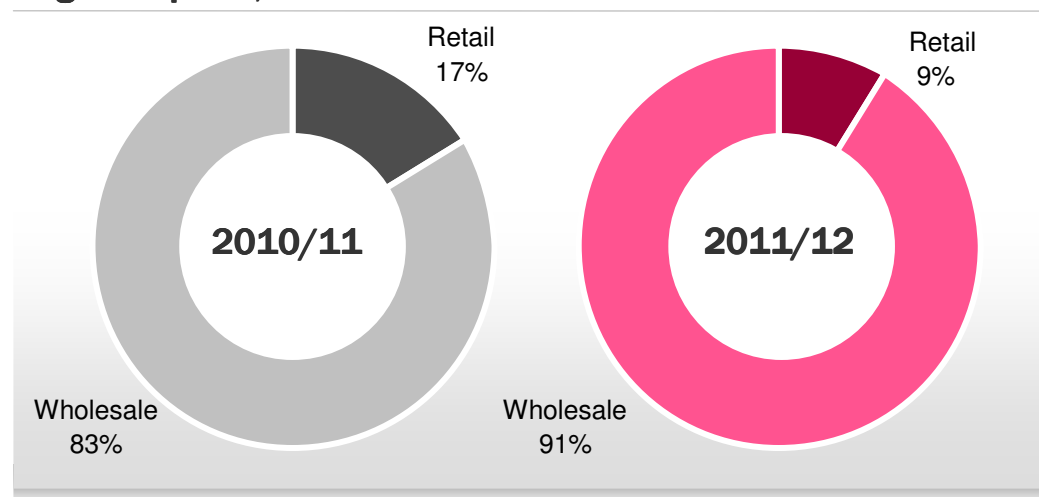
Decline in Both Segments but Profit in Retail Is Impacted More Due to Fixed Costs

- Retail decline of 3% to DKK 362m in Q1
- Net store openings of DKK 3m and same-store decrease of 7%
- Wholesale decline of 3% to DKK 813m in Q1
- Pre-order down by 3%, OTB up by 7% and franchise up by 2%
- Retail profit down by DKK 42m to a loss of DKK 10m in Q1
- Wholesale profit down by DKK 36m to DKK 189m

Segment revenue, ttm



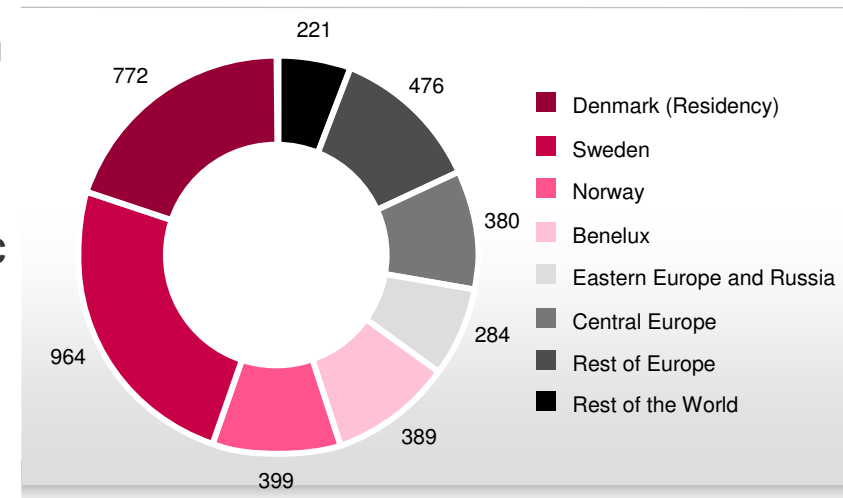
Segment profit, ttm



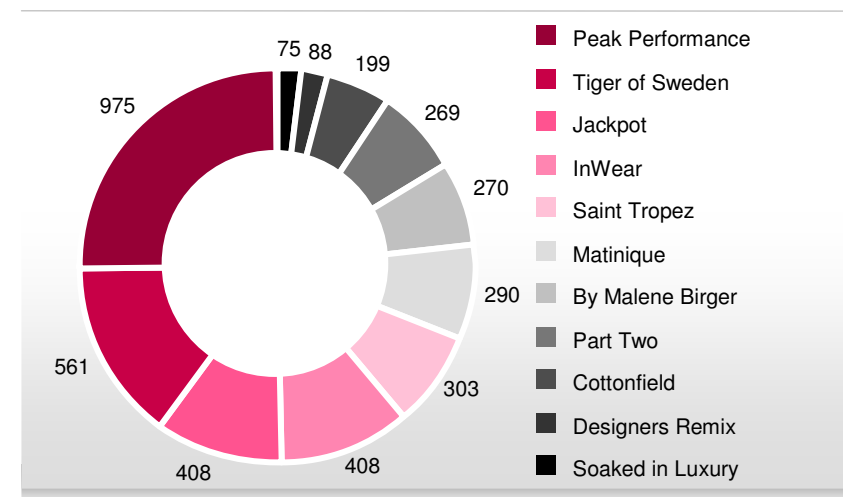
InWear, Matinique, By Malene Birger and Soaked in Luxury Defy Negative Macroenvironment

- Norway and Rest of the World realised growth despite negative macroenvironment in Q1
 - All other markets were affected by a sudden drop in consumer confidence and lower traffic
 - Scandinavia made up 54% of Group ttm revenue
-
- InWear, Matinique, By Malene Birger and Soaked in Luxury realised growth in Q1
 - Peak Performance and Tiger of Sweden declined in Q1 but less than Group average
 - Peak Performance, Tiger of Sweden, and Jackpot made up 51% of Group brands' ttm revenue

Ttm geographic segment revenue

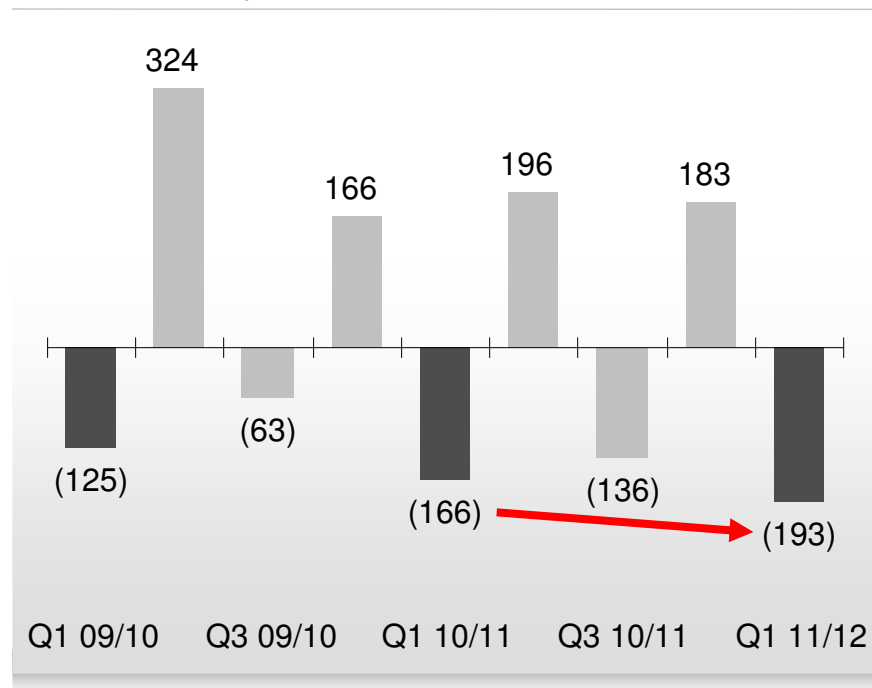


Ttm brand revenue



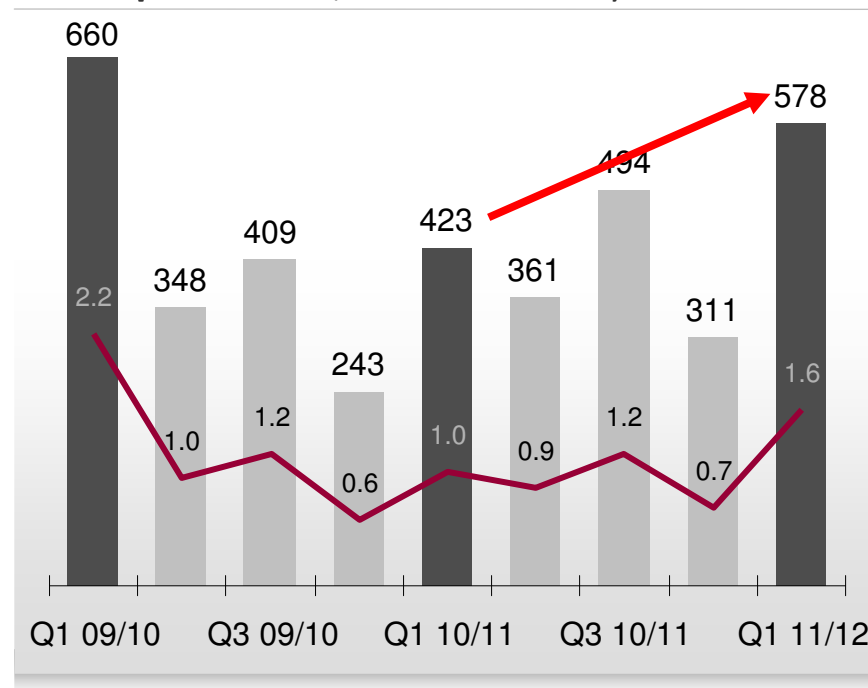
Working Capital Ties up Cash While Dividend Payments Temporarily Increase Short-term Debt

Free cash flow, DKKm



- Free cash flow down by DKK 27m
- Positive cash flow impact from working capital reduction in the quarters to come

End of quarter NIBD, DKKm and NIBD/EBITDA



- NIBD increased by 36% to DKK 578
- NIBD/EBITDA increased to 1.3

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Management Change in Peak Performance with New Management and Incorporation of IC Companys' 7 Key Disciplines

Management change in Peak Performance

- New CEO
- New Sales Director

Strengthening **internal processes**

- Sourcing pressure on technical fabrics due to few suppliers
- Heavy impact on gross margin
- Focussed sales processes to counter pressure
- Alignment with the 7 disciplines

Positive experience from **Tiger of Sweden**

Improved Processes and Focussed Distribution Set-up – Full Year Effect of DKK 50m on Group EBIT

Finalising project **Empowerment**

Natural continuation process to the corporate strategy

- Retail prioritisation in core markets
- Distribution set-up in wholesale
- Platform adjustments to brand needs
- Processes and the 7 disciplines
- Cost prioritisation

Cost base reduction in September will continue **next 3 quarters**

Strategy in Place Shifts Focus Towards Operations

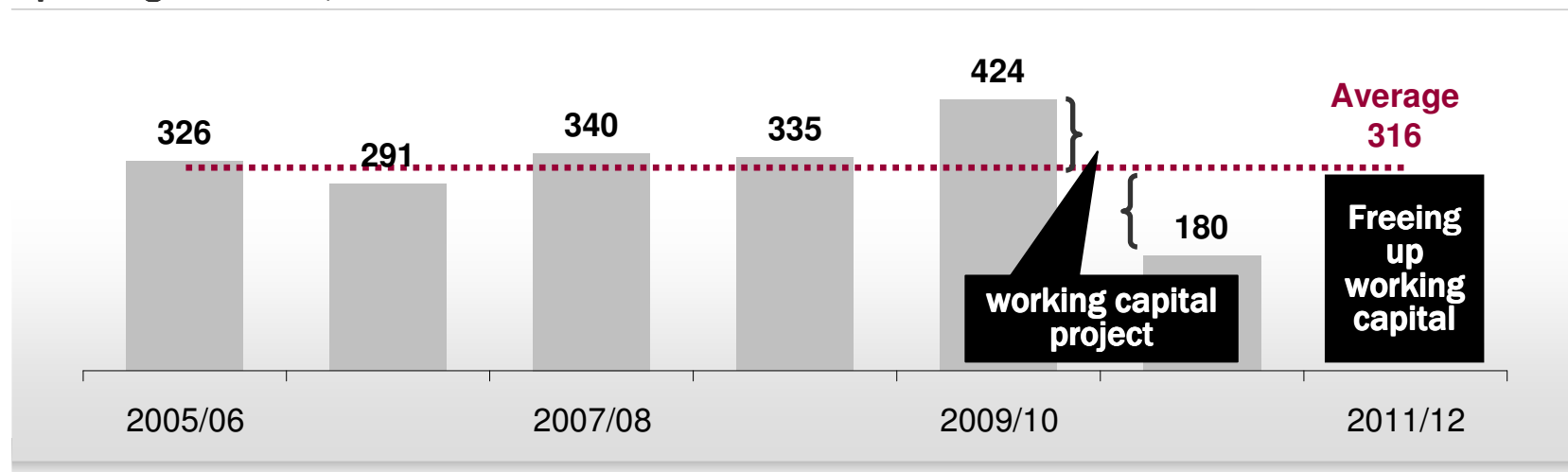
– Higher Transparency, More in Control and More Resilient

Focus on **flexibility, asset light** and **differentiated solutions**

No loss-making brands in 2011/12

Cyclic earnings but **steady cash flow** generation in the Group

Operating Cash Flow, DKKm



New Assumptions for FY 2011/12 but in Control with Our Business

Strategy in place now **focus on operations**

Our **new organisation is working** with **increased transparency**

Continued **expansion of controlled space** with focus on franchise

- Unchanged expectations on franchise growth
- Retail expansion reduced due to market conditions

We are **taking market share** despite decline in revenue

Gross margin pressure diminish during H2

Questions

Questions

Questions

Questions



IC COMPANYS
HOME OF FASHION BRANDS

IC COMPANYYS
HOME OF FASHION BRANDS

InWear Matinique PART TWO *Jackpot* COTTONFIELD ESTABLISHED 1986 DESIGNERS REMIX CHARLOTTE ESKILDSEN SAINT TROPEZ TIGER OF SWEDEN MALENE BERGER *Copenhagen* PeakPerformance SOAKED IN LUXURY