

Corporate presentation

*To be among the best developers of
sports and fashion brands*

August 2012

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One of the top 5 largest sports and fashion companies in the north

Introduction

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BRANDS

- 11 Scandinavian sports and fashion brands

SIZE

- Revenue DKK 3.8b and employees 2,217

SOURCING

- Offices in China, Hong Kong, India and Romania

DISTRIBUTION

- Own retail, outlets, e-commerce, franchise and wholesale

AROUND THE WORLD

- Nearly 500 stores and more than 10,000 wholesale selling points in more than 40 countries

Note: All numbers are from the annual report 2011/12

Proud heritage in Scandinavian fashion

History

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INWEAR GROUP

- 1969: InWear is founded
- 1973: Matinique is launched
- 1973: First Danish fashion brand to set up Asian production
- 1974: First subsidiaries in Sweden and Norway
- 1980: First own retail store in Copenhagen
- 1986: Part Two is launched
- 1996: Listed on the Copenhagen Stock Exchange
- 2001: IC Companys is formed through merger

CARLI GRY

- 1948: Carli Gry is founded
- 1973: Klaus Helmersen takes over the company
- 1974: Jackpot is launched
- 1986: Cottonfield is launched
- 1996: Listed on the Copenhagen Stock Exchange
- 1998: Peak Performance acquisition
- 2001: IC Companys is formed through merger



Portfolio strengthened by acquisitions and start-ups

History



Experienced management team with high execution power

Organisation

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Niels Mikkelsen, CEO



Chris Bigler, CFO



Anders Cleemann, EVP



Peter Fabrin, EVP

INDUSTRY EXPERIENCE

- More than 60 years in total
 - sports, fashion and fast-moving consumer goods

FRAMES AND PRINCIPLES

- Generating growth through frames and principles

CRISIS MANAGEMENT

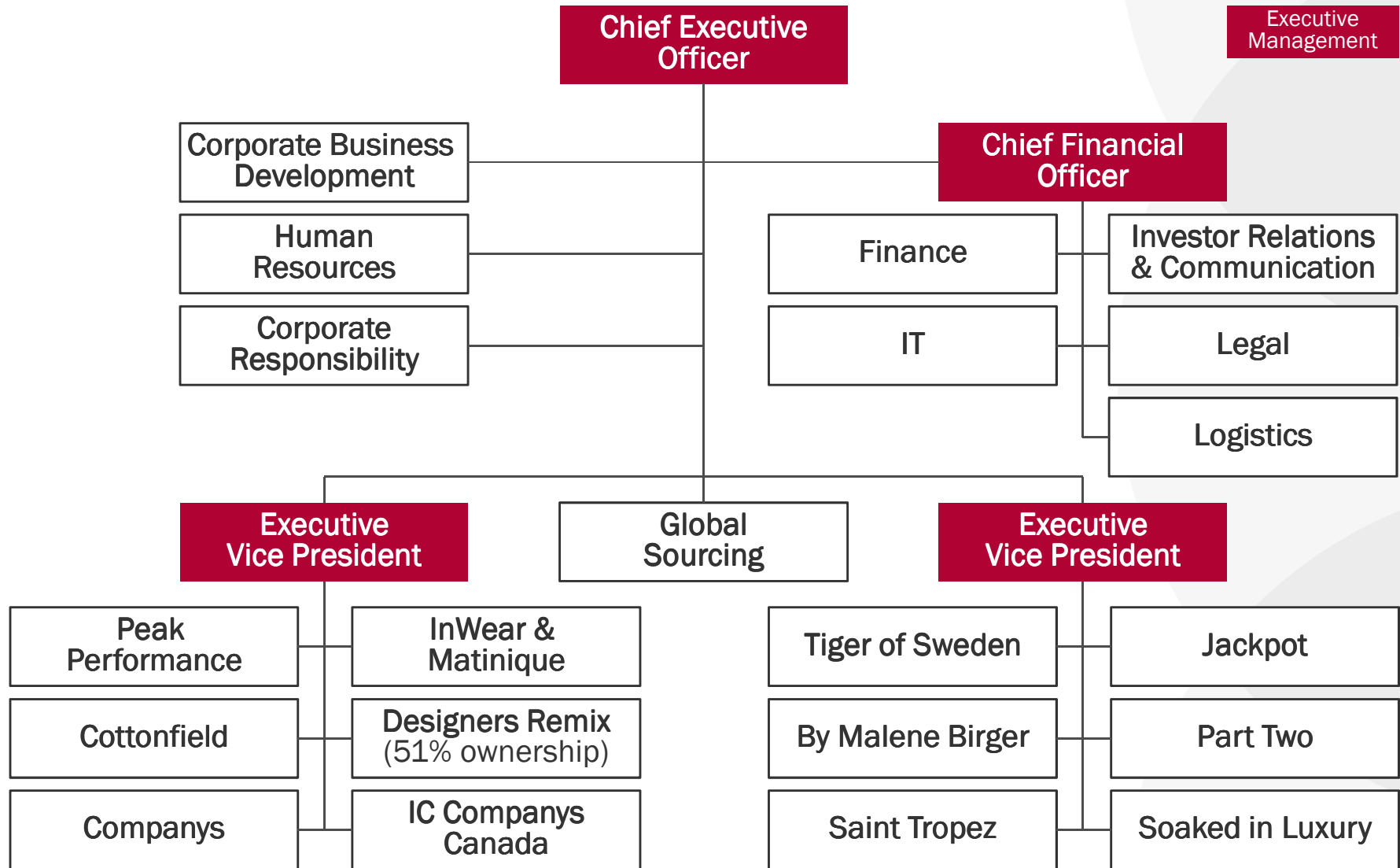
- Crisis management securing profitability and strength

STABILITY

- Cash flow management providing stability and risk reduction

Separate brand organisations with full responsibility of own value chain

Organisation



Note: Brands include own value chain (design, sourcing, product management, marketing, wholesale, retail, franchise, e-commerce)

Developing 11 sports and fashion brands with a great potential

Brands

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Premium Brands

Brands




TIGER
OF SWEDEN

TIGER OF SWEDEN

- Founded 1903 on a strong confection tradition and solid tailoring skills
- Revenue DKK 633m

BY MALENE BIRGER

- Founded 2003 based on design-driven passion
- Revenue DKK 272m



BY
MALENE BIRGER



 PeakPerformance

PEAK PERFORMANCE

- Founded 1986 with roots in skiing
- Revenue DKK 971m

DESIGNERS REMIX

- Founded 2002 on minimalistic elegance
- Revenue DKK 87m




DESIGNERS REMIX
CHARLOTTE ESKILDSEN

Note: All numbers are from the annual report 2011/12

Brands in Mid Market

Brands



PART TWO

PART TWO

- Founded 1986 working with sensual vs. raw
- Revenue DKK 249m

INWEAR & MATINIQUE

- Founded 1969 & 1973 with roots in urban living
- Revenue DKK 370m & 280m, respectively



Matinique



InWear



Jackpot

JACKPOT

- Founded 1974 with casual and colourful styles
- Revenue DKK 362m

COTTONFIELD

- Founded 1986 on comfortable and casual menswear
- Revenue DKK 165m



COTTONFIELD
REG. TRADEMARK

Note: All numbers are from the annual report 2011/12

Brands in Fast Fashion and our Companys concept

Brands



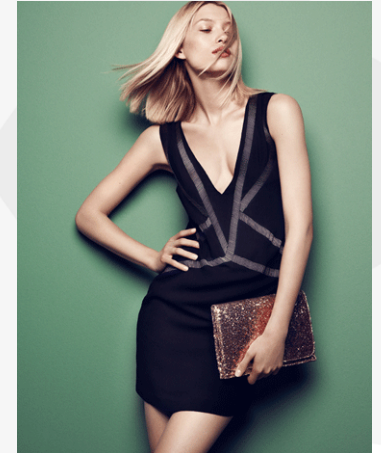
SAINT TROPEZ

SAINT TROPEZ

- Founded 1986 on young, independent femininity
- Revenue DKK 305m

SOAKED IN LUXURY

- Founded 2005 based on a vibrant, international design
- Revenue DKK 90m



SOAKED
IN LUXURY

COMPANYS

- Franchise concept based on 6 own female brands
- 39 stores in total



COMPANYS

Note: All numbers are from the annual report 2011/12

Vision: “to be among the best developers of sports and fashion brands”

Corporate strategy

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FREEDOM WITHIN THE FRAMEWORK

- Respect of each individual brand entrusting it with full ownership of the value chain
- Best practice sharing in key areas of the value chain
- Corporate Shared Services with targeted operational responsibilities

HIERARCHY OF SYNERGIES

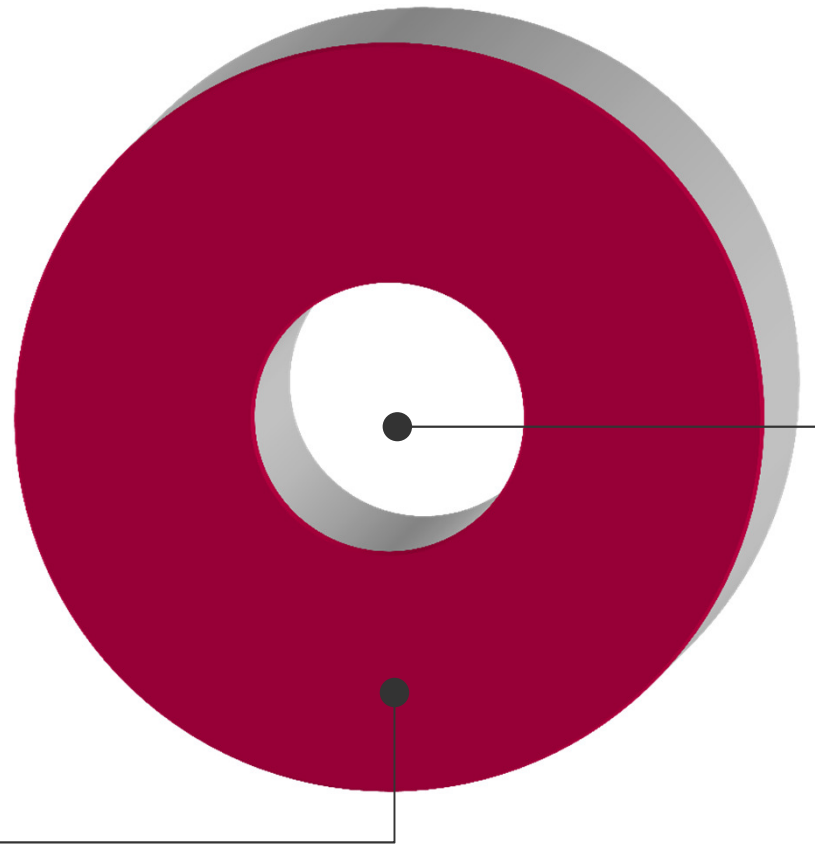
1. Knowledge sharing through execution of 7 business disciplines
2. Targeted operational synergies based on brands needs
3. General operational cost synergies across all brands

STRATEGIC FOCUS AREAS

- Building strong brands
- Having a focused market approach
- Increasing controlled distribution
- Optimising our processes and value chain
- Practising strong leadership

Mission: “to build successful brands by uniting business excellence with creativity and innovation”

Corporate strategy



KNOWLEDGE CENTER

- Retail/franchise
- Wholesale
- E-commerce
- New markets
- Sourcing
- Collection development
- Marketing/brand building

CORPORATE SHARED SERVICES

- Sourcing, Logistics, IT
- Finance, Legal, HR
- Corporate Responsibility

Ambition: “to gradually develop into a group where the majority of revenues derive from the Premium segment”

Brands

DIFFERENT BRAND SEGMENTS WITH DIFFERENT POTENTIALS

- Focus on growth and internationalisation in Premium segment
- Focus on core markets in Mid Market and Fast Fashion segment

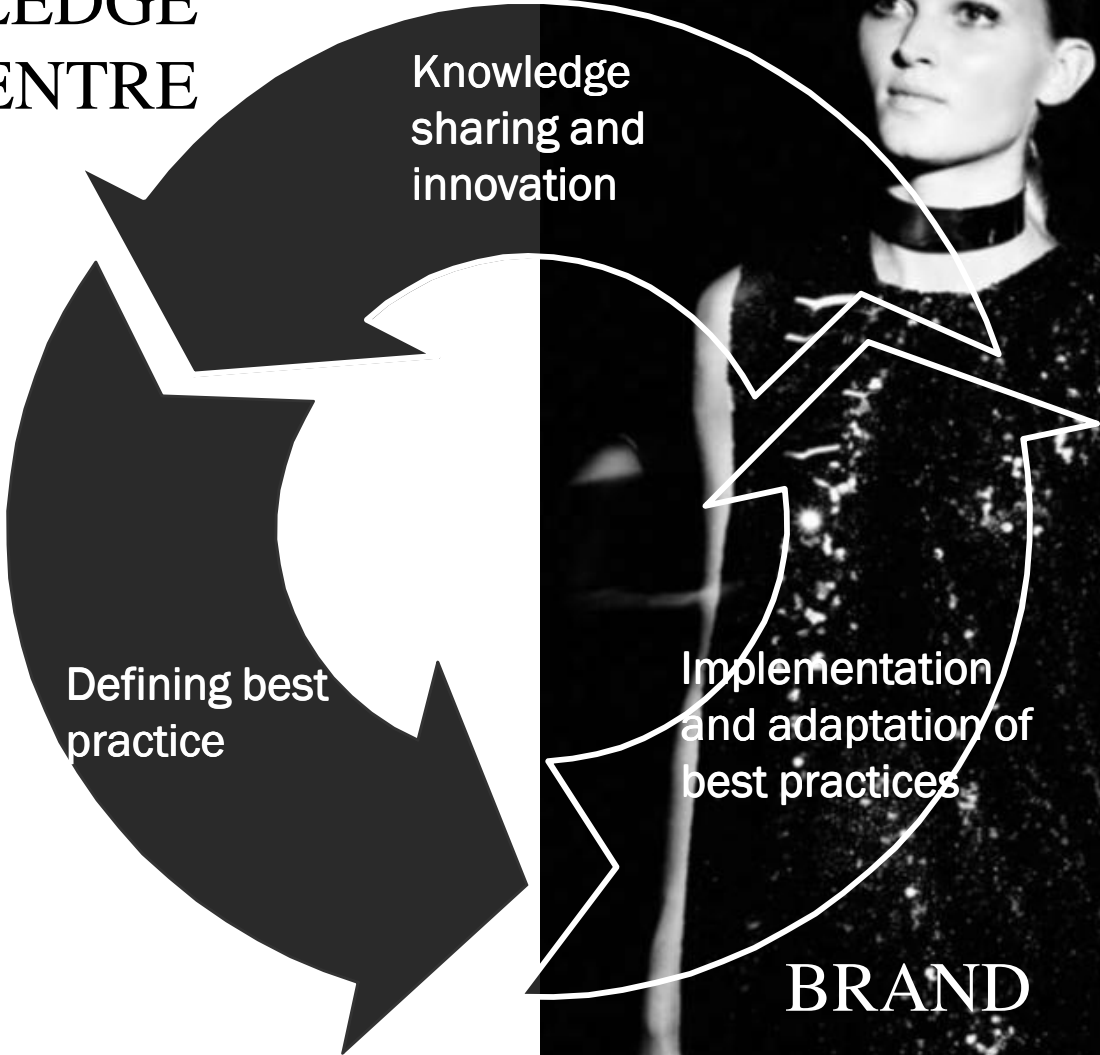
	Sport/lifestyle	Contemporary	Formal	Casual	Jeans
Luxury (High price)					
Premium (Upper mid price)		  			
Mid Market (Mid price)		<i>InWear</i> Matinique PART TWO		COTTONFIELD <small>REG. TRADEMARK</small> 	
Fast Fashion (Low price)		SAINT TROPEZ SOAKED <small>IN LUXURY</small>			

Our knowledge centre facilitates a systematic and iterative knowledge sharing process

Knowledge centre

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KNOWLEDGE
CENTRE



BRAND

Shared Services functions are based on value creation and deliver services based on brands' needs

Corporate Shared Services

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AN EFFICIENT SERVICE PLATFORM

- From 55% of total cost and 1,800 employees...
- ...to 15% of total cost and 400 employees



We believe in integrating corporate responsibility in all parts of our organisation

Corporate responsibility

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WE SUPPORT THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT

- Based on internationally adopted declarations and conventions on human rights, labour rights (People), environmental protection (Planet) and anti-corruption (Profit)

INTEGRATED THROUGHOUT THE ORGANISATION

- Responsibility for issues and targets are assigned to the relevant internal functions



PEOPLE



PLANET



PROFIT

A financially solid company with steady cash flow

Financials

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FOCUS ON CONTINUOUSLY IMPROVING FUTURE EARNINGS

- Revenue of DKK 3.8b, EBIT of DKK 130m and free cash flow of DKK 150m FY 2011/12

CYCLIC EARNINGS BUT STEADY CASH FLOW

- Strong free cash flow averaging DKK 186m last five years
- Investments to be kept around 3% of annual revenue

WORKING CAPITAL IN CONTROL

- Expected not to exceed 12% of annual revenue

STRONG FINANCIAL POSITION WITH LOW NET DEBT

- Net debt of DKK 248m corresponding to 1.0 times EBITDA in 2011/12
- Net debt target of zero and limit of 3 times EBITDA

CONTINUED DIVIDENDS TO OUR SHAREHOLDERS

- 30% of the net profit to be distributed as dividend

Financial guidelines to secure steady high cash flows

Financials

ASSET LIGHT

- Maximises strategic manoeuvrability and secures a steady high cash flow

FIXED TO VARIABLE COSTS

- Secures stable profitability in a volatile economic environment

PRIORITISING INVESTMENTS

- Maximises returns securing future access to capital

HIGH INVENTORY TURNOVER

- Reduces costs by freeing up capital for other purposes and ensuring continuous flow of in-season products

STRICT CREDIT CONTROL

- Frees up capital for other purposes and ensures a healthy customer base



IC COMPANYYS

HOME OF FASHION BRANDS

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