

## COMPANY ANNOUNCEMENT

18 August 2011

### IC Companys enhances the Group's sourcing

**IC Companys implements a new sourcing structure of which the objective is to reduce the number of suppliers and improve efficiency and flexibility.**

In continuation of IC Companys' organisational changes announced in November 2010, cf. Company Announcement no. 21, of which the objective was to enhance growth and improve earnings capacity of the Group, Management now embarks on the implementation of a new sourcing structure. This restructuring will result in the operational ownership of the Group's sourcing being transferred to brands. At the same time Management will implement frameworks and principles which support an efficient interaction with the Group's service platform. Furthermore, the new organisational structure will provide an increased focus on strategic sourcing which, among other things, will ensure that brands have their productions located in the right countries and co-operate with the best suppliers.

The key element of this new structure is to systematise the Group's sourcing while at the same time adapting it to the efficiency and flexibility required by the new organisational set-up.

The new structure will imply:

- A reduction of the number of suppliers which will consequently also lead to a less complex Group sourcing. The number of suppliers is expected to be reduced by 20-25% within the next 12 months and subsequently even further.
- Increased trade with specific suppliers which is consequently expected to lead to improved sourcing prices as well as supply stability for the Group.
- More strict requirements imposed on our suppliers resulting in only the best and most responsible suppliers and thereby better compliance control of the Group's business and ethical standards. It is expected that the quality of Group products is improved.
- Increased focus on the co-operation within key categories between brands. A global sourcing function will place emphasis on enhanced co-operation between brands within the largest categories where deemed expedient.
- A strategic approach to the Group's long-term geographical presence on the global sourcing markets.

Chief Executive Officer Niels Mikkelsen stated;

*"After having implemented the organisational changes with success, it has been evident to review what the new organisational set-up requires from the Group's sourcing. There is no doubt that by reinforcing the co-operation with the best suppliers and reducing the total number of suppliers, we will be able to improve efficiency and flexibility."*

The changed organisational structure will have no effect on the outlook for the financial year 2011/12.

### IC Companys A/S

Niels Mikkelsen  
Chief Executive Officer

**Please direct any questions regarding this announcement to:**

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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.*