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To the Copenhagen Stock Exchange
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IC Companys A/S – H1 Report 2004/05

At its meeting today, the Board of Directors of IC Companys A/S considered and adopted the interim financial statements for the six months ended 31 December 2004.

- Revenue rose 12% to DKK 1,532 million (DKK 1,373 million).
- The pre-tax profit was DKK 133 million, including a reversal of DKK 20 million from the provisions for store closures. A pre-tax loss of DKK 166 million was recorded for H1 last year, but after adjustment for changes in accounting estimates and one-off items, a pre-tax profit of DKK 5 million was posted.
- Ordinary profit for the period showed satisfactory growth, which was achieved through stronger overall sales figures, higher gross margins for all brands and sales channels, and lower exchange rates of sourcing currencies.
- All sales channels – wholesale, retail and outlets – generated segment profits.
- Net interest-bearing debt was DKK 372 million (DKK 488 million), which was DKK 116 million lower than at 31 December 2003.
- For the full year, the revenue forecast remains unchanged in the region of DKK 2,800 million, whilst the forecast of pre-tax profit is increased to approximately DKK 70 million, including a reversal of DKK 20 million from the provisions for store closures. A net cash inflow in the region of DKK 70 million is forecast. The new forecast is an increase from the previous forecast of a pre-tax profit in the range of DKK 25-50 million and a net cash inflow of DKK 50-75 million.

IC Companys A/S

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This announcement is a translation from the Danish language of announcement no. 04/2005 to the Copenhagen Stock Exchange. In the event of any discrepancy between the Danish and English versions, the Danish version shall prevail.

IC COMPANYS

1. Financial highlights and key ratios

The accounting policies applied in this interim report are the same as in the 2003/04 annual report.

Financial highlights and key ratios

DKK million	Q2 2004/05 3 months	Q2 2003/04 3 months	H1 2004/05 6 months	H1 2003/04 6 months	2003/04 12 months
Income statement					
Revenue	619	548	1,532	1,373	2,612
Gross profit	344	290	831	641	1,291
Operating profit before depreciation, amortisation & special items	23	(26)	190	(9)	(21)
Operating profit before goodwill amortisation & special items	3	(52)	152	(62)	(153)
Operating profit before special items	(10)	(57)	126	(104)	(184)
Operating profit	10	(94)	146	(157)	(275)
Net financial items	(7)	(6)	(13)	(9)	(19)
Profit/(loss) before tax	3	(100)	133	(166)	(294)
Profit/(loss) for the period	2	(100)	90	(166)	(309)
Balance sheet					
Fixed assets	525	619	525	619	553
Current assets	888	955	888	955	849
Total assets	1,413	1,575	1,413	1,575	1,402
Equity	364	433	364	433	290
Debt and provisions	1,049	1,142	1,049	1,142	1,112
Cash flow statement					
Cash flow from operating activities	189	197	159	107	130
Cash flow from investing activities	(16)	(16)	(39)	(44)	(77)
Cash flow from financing activities	2	(2)	1	24	22
Cash flow for the period	175	179	121	87	75
Key ratios					
Gross margin (%)	55.5	53.0	54.2	46.7	49.4
EBITDA margin (%)	3.7	neg	12.4	neg	neg
EBIT margin (%)	neg	neg	8.2	neg	neg
Return on equity (%)	0.5	neg	22.7	neg	neg
Equity ratio (%)	25.8	27.5	25.8	27.5	20.7
Average capital employed including goodwill	926	1,012	926	1,012	1,037
Return on capital employed (%)	0.3	neg	16.4	neg	neg
Net interest-bearing debt	372	488	372	488	497
Gearing (%)	102.1	112.8	102.1	112.8	171.1
Share data*					
Diluted average number of shares excluding own shares	18,139,812	18,036,784	18,113,388	18,036,784	18,011,196
Market price per share at end of period	105.0	49.5	105.0	49.5	42.5
Diluted earnings per share	0.1	(5.5)	5.0	(9.2)	(17.1)
Diluted cash flow per share	10.4	10.9	8.8	5.9	7.2
Diluted net asset value per share	20.1	24.0	20.1	24.0	16.1
Diluted price / earning	1,016.2	neg	21.0	neg	neg
Employees					
Number of employees (full-time equivalents at the end of the period)	1,930	2,262	1,930	2,262	2,026

The key ratios and share data have been calculated according to the recommendations in "Recommendations and Ratios 2005" issued by the Danish Society of Investment Professionals. This has entailed a few changes relative to the way the ratios were calculated in Q1, when the 1997 recommendations were applied.

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

2. Performance in H1 2004/05

Revenue rose 12% to DKK 1,532 million (DKK 1,373 million). The wholesale business recorded growth in all Group brands, except for Matinique, whilst net store closures reduced retail revenue by DKK 58 million. Currency translation increased revenue by DKK 4 million.

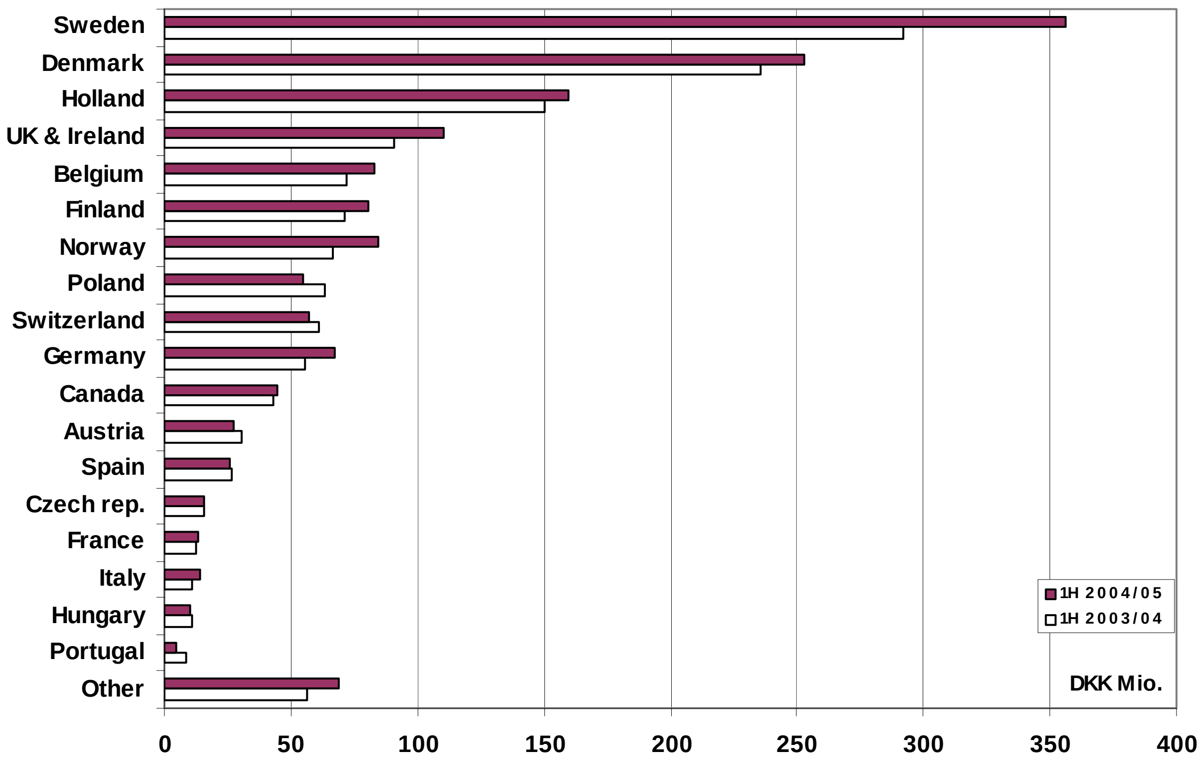
Sales performance by brand:

DKK million	H1 2004/05	H1 2003/04	Change
Jackpot	254	239	6%
InWear	225	197	14%
Part Two	116	107	8%
Matinique	114	126	-9%
Cottonfield	116	110	5%
Total key brands	**825**	**779**	**6%**
Peak Performance	353	291	21%
Saint Tropez	71	72	-1%
Tiger of Sweden	156	112	39%
Other own brands	91	66	38%
Total portfolio brands	**671**	**541**	**24%**
Other external brands	**36**	**53**	**-32%**
Net sales	**1.532**	**1.373**	**12%**

The Group's key brands generated combined growth of 6%. However, revenue for H1 2003/04 had been negatively affected by DKK 60 million due to timing differences in the wholesale operation's delivery structure for the autumn collection.

The portfolio brands generated combined growth of 24%. Other own brands comprise O by Isabell Kristensen, Designers Remix Collection, Error and By Malene Birger. Other external brands comprise third-party products.

Revenue by country:



Revenue rose in a number of the Group's key markets, including Sweden, Denmark and the Netherlands. The Polish market continued to show unsatisfactory performance during the period. The decline in revenue in Switzerland was caused by the conversion into franchises of the Group's seven Companys concept stores in Switzerland on 1 October 2004.

The gross profit was DKK 831 million (DKK 641 million), and the gross margin was 54.2% (46.7%). The gross profit for H1 2003/04 was reduced by DKK 57 million, being the effect of accounting estimate changes and items of a one-off nature. Adjusted for this effect, the gross margin for the same period of last year was 50.8%.

The underlying improvement of the gross margin by approximately 3 percentage points was due partly to better prices, lower discounts and fewer goods being returned, a trend seen for all Group brands, sales channels and countries of operation, and partly to relatively lower forward exchange rates on sourcing currencies (HKD and USD).

The focus on key brands, including the commercial tightening of the collection structure, changes in sourcing and better product flows for IC Companys' own retail stores are thus producing favourable results by way of higher sales and better gross margins.

Costs totalled DKK 705 million (DKK 745 million). Costs in H1 2003/04 were adversely affected by changes in accounting estimates and one-off items totalling DKK 60 million, of which the effect of the accounting estimate change regarding the residual life of goodwill accounted for DKK 40 million. Adjusted for these effects, costs in the same period of last year totalled DKK 685 million.

In H1 2004/05, more resources were used for marketing of the Group's brands than last year as, in particular, efforts supporting the key brands were intensified in selected markets.

A reversal of DKK 20 million was made on 31 December 2004, from the provisions for closure of loss-making store leases. The amount was classified as a special item. The reversal was made as the store closures have so far been implemented using less of the provisions than anticipated, primarily due to better operating performance of the stores during the period until closure and the receipt of key money for a number of the store leases.

A net financial expense of DKK 13 million was posted (DKK 9 million). As a result of the adverse performance of the activities in Poland, a DKK 2 million loss on forward contracts was recognised for the period. Furthermore, net financial expenses for H1 2003/04 included interest income of DKK 1 million relating to a reimbursement of corporate income tax.

Profit before tax was DKK 133 million, including a reversal of DKK 20 million from the provisions for store closures (a loss of DKK 166 million). Pre-tax profit for H1 2003/04 was reduced by DKK 171 million, being the effect of accounting estimate changes and items of a one-off nature. Adjusted for this effect, pre-tax profit for the same period last year was DKK 5 million, corresponding to a DKK 108 million improvement of the profit on ordinary operations in H1 2004/05.

It was satisfactory that the period as a whole showed substantial growth in ordinary profit, and that this was founded in better overall sales figures and gross margins for all brands and sales channels.

An estimated tax charge of DKK 43 million was recognised for the period, equivalent to 32% of the pre-tax profit.

Wholesale operation
Wholesale revenue was DKK 1,016 million (DKK 835 million), equivalent to a 22% increase. The growth was generated in all Group brands, except for Matinique, and several years of decline has now been stopped.

The segment profit rose to DKK 189 million (DKK 79 million), equivalent to a profit margin of 19% (10%). The segment profit for H1 2003/04 was reduced by DKK 56 million, being the effect of accounting estimate changes and items of a one-off nature. Adjusted for this effect, the segment profit for the same period of last year was DKK 135 million, equivalent to a profit margin of 16%.

As mentioned in the Q1 2004/05 report, the wholesale operation’s order intake for the collections of the financial year has been completed with satisfactory combined growth of approximately 8% compared with performance one year earlier. Thus, altogether the Group’s five key brands generated growth.

The earnings level for the wholesale operation is not yet satisfactory. Focus areas in the wholesale business will remain: to concentrate sales efforts in the Nordic markets and the Benelux, to better exploit orders received, to expand the franchise activity, and to further develop the brand-specific sales organisation, including improved sales tools and better support to customers.

Retail operation
Retail revenue was down by 7% to DKK 439 million (DKK 471 million). Revenue for the period was reduced by DKK 58 million due to net store closures. It was satisfactory to see combined same-store sales grow by 6.6% (organic sales growth) after several years of decline.

The segment profit of the retail operation rose to DKK 36 million (a loss of DKK 33 million), equivalent to a profit margin of 8% (minus 7%). The segment profit for H1 2003/04 was reduced by DKK 21 million, being the effect of accounting estimate changes and items of a one-off nature. Adjusted for this effect, a segment loss of DKK 12 million was posted in the same period of last year, equivalent to a profit margin of minus 3%.

The earnings level for the retail operation remained unsatisfactory, although the significant improvement shows that the negative trend seen during the past several years has now been reversed. The retail operation generated better sales, resulting in fewer discounts and excess products. This was achieved through better management of purchasing and better merchandising of the stores. To this should be added the positive effect of the ongoing process of closing down certain unprofitable stores belonging to the Group.

The areas to be focused on in the retail operation will continue to be improvement of purchasing and product flows, renovation of the store portfolio, reduction of the number of store concepts and the completion of the scheduled store closures.

As stated in the 2003/04 Annual Report, 60 stores are comprised by these plans. In line with these plans, 46 stores had been closed down by 31 December 2004 and, as planned, 15 out of 20 stores had been converted into franchises. At 30 June 2004, the provisions to cover the 60 store closures amounted to DKK 46 million.

So far, the store closures have been implemented using less of the provisions than anticipated, primarily due to better operating performance of the stores during the period until closure and the receipt of key money for a number of the store leases. As a result, DKK 20 million of the provisions was reversed on 31 December 2004, leaving DKK 25 million of these provisions at 31 December 2004. The reversal was classified as a special item.

Outlet operation
Revenue from the outlet operation rose 15% to DKK 77 million (DKK 67 million).

The segment profit of the outlet operation rose to DKK 10 million (a loss of DKK 6 million), equivalent to a profit margin of 13% (minus 9%).

It was satisfactory to see earnings in the outlet operation improve following recent years' significant losses. This was achieved partly through an improved product flow and partly through the Group's new commercial principles for intercompany trading. It was also satisfactory that the inflow of surplus products to the outlet operation has been reduced.

Cash flow and net interest-bearing debt
The cash flow from operating activities was an inflow of DKK 159 million (an inflow of DKK 107 million). The significant improvement over last year was primarily attributable to a considerable improvement in operating profit and a continuing reduction of funds tied up in inventories.

The cash from operating activities was adversely affected by DKK 8 million from the use of a provision for costs of operating vacant premises and store rent relating to stores scheduled for closure.

Gross investments for the period totalled DKK 42 million (DKK 43 million). Out of these investments, DKK 26 million was spent on shop refurbishments, DKK 7 million represented a contractual additional payment for shares in connection with the acquisition of the Saint Tropez brand in February 2002, and DKK 5 million was spent on various IT development projects.

The cash flow from financing activities was an inflow of DKK 1 million (an inflow of DKK 24 million). The inflow in H1 2003/04 represented an income tax reimbursement relating to a deduction for employee shares.

The net cash flow for the period was an inflow of DKK 121 million (an inflow of DKK 87 million), equivalent to an improvement of DKK 34 million.

Net interest-bearing debt was DKK 372 million (DKK 488 million), which was a satisfactory DKK 116 million reduction compared with the level at 31 December 2003.

Balance sheet
Consolidated assets decreased by DKK 162 million from DKK 1,575 million at 31 December 2003 to DKK 1,413 million at 31 December 2004. This was the result of a reduction of both fixed assets (minus DKK 94 million) and current assets (minus DKK 68 million). Fixed assets were reduced as a result of

writedowns in connection with store closures (minus DKK 23 million) and as a result of amortisation of goodwill (minus DKK 49 million).

Current assets were reduced as a result of a reduction of inventories (minus DKK 41 million). Receivables have been reduced overall (minus DKK 31 million). Trade receivables increased by 7%, which was favourable seen in the context of a 22% increase in wholesale revenue (35% in Q2 2004/05).

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

DKK million	**31.12.2004**	**31.12.2003**
Equity as at 1 July	**290**	**600**
Profit/(loss) for the period	90	(166)
Currency translation of subsidiaries	1	(3)
Proceeds from excercise of employee warrants	3	-
Net value adjustment of derivative financial instruments	(20)	2
Equity as at 31 December	**364**	**433**

The equity had increased by DKK 74 million at 31 December 2004, and the equity ratio had consequently improved to 25.8%, up from 20.7% at 30 June 2004.

Executives in the Group exercised warrants in the autumn of 2004, which increased the equity by DKK 3 million.

The value adjustment of minus DKK 20 million relates to forward exchange contracts entered into to hedge future cash flows. The forward exchange contracts hedging purchases for the spring and summer of 2005, in particular, have negative values due to the decline in the USD and HKD exchange rates vis-à-vis DKK.

3. Extraordinary General Meeting

As previously announced, the Board of Directors intends to increase the number of Board members to bring the number back up to six. The Board of Directors has consequently called an extraordinary general meeting with the following agenda:

1. Election of two new members to the Board of Directors. The Board of Directors' candidates are:

   Anders Colding Friis, President & CEO of House of Prince A/S
   Henrik Heideby, President & CEO of PFA Pension

In addition to the proposed two new members, the Board of Directors consists of the following members:

Niels Martinsen (Chairman)
Ole Wengel (Deputy Chairman)
Niels Hermansen
Leif Juul Jørgensen

2. Information on performance in H1 2004/05

3. Any other business

The Extraordinary General Meeting will be held on 23 February 2005 at 5.00 p.m. at Dansk Design Center, Copenhagen.

4. Outlook for the full financial year 2004/05

For the full year, the revenue forecast remains unchanged in the region of DKK 2,800 million, whilst the forecast of pre-tax profit is increased to approximately DKK 70 million, including a reversal of DKK 20 million from the provisions for store closures. A net cash inflow in the region of DKK 70 million is forecast. The new forecast is an increase from the previous forecast of a pre-tax profit in the range of DKK 25-50 million and a net cash inflow of DKK 50-75 million.

The forecast includes retaining the priority given to increased sales efforts, including investments in marketing and brand building to facilitate future growth. Furthermore, the forecast should be seen in light of the ongoing comprehensive restructuring of the Group's business. Many cost-intensive initiatives have been started up, and management believes the Group is on the right track.

An essential assumption underlying the forecast is that revenue and earnings are traditionally substantially larger in Q1 and Q3 than in Q2 and Q4, which are loss-making seen in isolation. As in the 2003/04 financial year, a loss is consequently expected for H2 2004/05, although at a lower level.

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SEGMENT INFORMATION

Business areas - primary segments

The Group has three distribution channels: Wholesale, Retail and Outlets, which are the Group's primary segments. 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 segment profit/(loss) shows each segment's revenue less cost of sales and selling and distribution costs and administrative expenses directly attributable to the segment. Corporate costs comprise design, brand building, IT, finance, general management and HR.

	H1 2004/05				
DKK million	**Wholesale**	**Retail**	**Outlet**	**Unallocated**	**Group**
Revenue	1,016	439	77		1,532
Segment profit	**189**	**36**	**10**		**235**
Segment profit margin	*18.6%*	*8.2%*	*12.9%*		*15.3%*
Corporate costs*				(83)	(83)
Goodwill amortisation and impairment				(26)	(26)
Operating profit before special items					**126**
EBIT margin					*8.2%*
Special items		20			20
Operating profit					**146**

	H1 2003/04				
	Wholesale	**Retail**	**Outlet**	**Unallocated**	**Group**
Revenue	835	471	67		1,373
Segment profit/(loss)	**79**	**(33)**	**(6)**		**40**
Segment profit margin	*9.5%*	*-7.0%*	*-9.0%*		*2.9%*
Corporate costs*				(97)	(97)
Goodwill amortisation and impairment				(47)	(47)
Operating profit before special items					**(104)**
EBIT margin					*-7.6%*
Special items		(37)		(16)	(53)
Operating profit/(loss)					**(157)**

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

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INCOME STATEMENT

	GROUP				
DKK thousand	Q2 2004/05	Q2 2003/04	H1 2004/05	H1 2003/04	2003/04
REVENUE	**619,333**	**547,712**	**1,531,970**	**1,373,134**	**2,612,204**
Cost of sales	(275,395)	(257,417)	(700,913)	(731,987)	(1,320,758)
GROSS PROFIT	**343,938**	**290,295**	**831,057**	**641,147**	**1,291,446**
Selling and distribution costs	(226,998)	(208,441)	(450,613)	(440,162)	(922,752)
Administrative costs	(133,765)	(139,126)	(264,949)	(307,430)	(567,660)
Other operating income	7,515	3,686	11,893	5,202	15,013
Other operating costs	(888)	(3,054)	(1,332)	(2,523)	0
OPERATING PROFIT/(LOSS) BEFORE SPECIAL ITEMS	**(10,198)**	**(56,640)**	**126,056**	**(103,766)**	**(183,953)**
Special items	20,000	(37,000)	20,000	(53,000)	(91,000)
OPERATING PROFIT/(LOSS)	**9,802**	**(93,640)**	**146,056**	**(156,766)**	**(274,953)**
Net financial items	(7,123)	(6,199)	(13,060)	(9,256)	(18,560)
PROFIT/(LOSS) BEFORE TAX	**2,679**	**(99,839)**	**132,996**	**(166,022)**	**(293,513)**
Income tax for the period	(805)	0	(42,560)	0	(15,240)
PROFIT/(LOSS) FOR THE PERIOD	**1,874**	**(99,839)**	**90,436**	**(166,022)**	**(308,753)**
Diluted earnings per share DKK	0.1	(5.5)	5.0	(9.2)	(17.1)

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BALANCE SHEET - ASSETS

DKK thousand	Group 31.12.2004	31.12.2003	30.06.2004
FIXED ASSETS			
Goodwill	148,656	190,245	171,999
Software and IT systems	29,383	27,819	28,222
Trademark rights	297	332	315
Leasehold rights	35,517	46,994	40,101
Total intangible assets	213,853	265,390	240,637
Land and buildings	24,664	34,180	25,360
Leasehold improvements	88,084	112,733	90,427
Equipment and furniture	59,679	62,932	60,038
Total property, plant and equipment	172,427	209,845	175,825
Shares	245	236	208
Deposits, etc.	28,184	29,382	27,583
Deferred tax assets	110,231	114,374	108,721
Total investments	138,660	143,992	136,512
Total fixed assets	**524,940**	**619,227**	**552,974**
CURRENT ASSETS			
Inventories	367,951	408,672	380,840
Trade receivables	241,465	224,818	200,956
Income tax receivable	33,871	49,539	53,007
Other receivables	23,619	47,612	40,986
Prepayments	60,178	68,432	62,790
Total receivables	359,133	390,401	357,739
Cash and cash equivalents	161,088	156,385	110,395
Total current assets	**888,172**	**955,458**	**848,974**
TOTAL ASSETS	**1,413,112**	**1,574,685**	**1,401,948**

BALANCE SHEET - EQUITY AND LIABILITIES

	Group		
DKK thousand	31.12.2004	31.12.2003	30.06.2004
Total equity	**364,394**	**432,556**	**290,242**
PROVISIONS			
Deferred tax	5,979	1,744	5,890
Other provisions	45,485	72,661	72,319
Total provisions	**51,464**	**74,405**	**78,209**
DEBT			
Financial institutions	7,268	11,646	9,139
Capitalised lease liability	38,049	38,297	39,636
Total long-term debt	45,317	49,943	48,775
Financial institutions	487,061	593,689	557,587
Capitalised lease liability	606	562	612
Trade payables	165,661	164,304	235,733
Income tax	6,722	15,033	21,826
Calculated income tax on the profit for the period	42,560	-	-
Other debt	249,327	244,193	168,964
Total short-term debt	951,937	1,017,781	984,722
Total debt	**997,254**	**1,067,724**	**1,033,497**
TOTAL EQUITY AND LIABILITIES	**1,413,112**	**1,574,685**	**1,401,948**

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GROUP CASH FLOW STATEMENT

DKK thousand	Group H1 2004/05	H1 2003/04	2003/04
CASH FLOW FROM OPERATING ACTIVITIES			
Operating profit/(loss) before special items	126,056	(103,766)	(183,953)
Reversed depreciation and impairment losses	63,892	94,152	163,118
Other adjustments	(1,841)	4,950	4,175
Special items paid	(7,929)	(9,499)	(28,440)
Change in working capital	(14,157)	127,065	184,141
Cash flow from operating activities before financial items	**166,021**	**112,902**	**139,041**
Financial income received	4,566	7,493	11,992
Financial expenses paid	(15,253)	(17,755)	(30,740)
Cash flow from ordinary activities	**155,334**	**102,640**	**120,293**
Income tax received / paid	3,351	3,893	9,538
Total net cash flow from operating activities	**158,685**	**106,533**	**129,831**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of enterprises and operations	(7,000)	-	-
Purchase of intangible assets	(6,052)	(8,183)	(16,752)
Purchase of property, plant and equipment	(28,746)	(34,470)	(70,912)
Purchase / sales of other fixed assets	3,248	(1,466)	10,626
Total net cash flow from investing activities	**(38,550)**	**(44,119)**	**(77,038)**
CASH FLOW FROM FINANCING ACTIVITIES			
Tax value of discount on employees shares	-	27,758	27,758
Instalments on and repayment of long-term debt	(2,285)	(3,338)	(5,360)
Proceeds from excercise of employee warrants	2,955	-	-
Total net cash flow from financing activities	**670**	**24,420**	**22,398**
CASH FLOW FOR THE PERIOD	**120,805**	**86,834**	**75,191**
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents, beginning of period	(447,192)	(517,972)	(517,614)
Currency translation adjustment of cash, beginning of period	414	(6,166)	(4,769)
Cash flow for the period	120,805	86,834	75,191
Cash and cash equivalents, end of the period	**(325,973)**	**(437,304)**	**(447,192)**