

# ANNOUNCEMENT TO THE COPENHAGEN STOCK EXCHANGE

20 May 2005

## IC Companys A/S Q3 Interim Report 2004/05

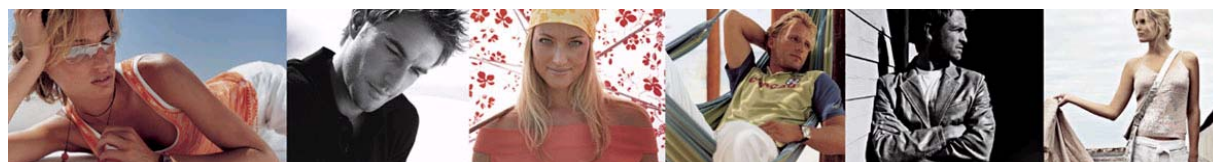
**Revenue grew by 10% in Q3. Ordinary profit showed satisfactory growth in Q3. The forecast of pre-tax profit for the full year has been increased.**

At its meeting today, the Board of Directors of IC Companys A/S considered and adopted the interim financial statements for the nine months ended 31 March 2005.

- Q3 revenue rose 10% to DKK 845 million (DKK 769 million). Year-to-date revenue rose 11% to DKK 2,377 million (DKK 2,142 million).
- A pre-tax profit for Q3 of DKK 115 million was posted (DKK 31 million), and the year-to-date pre-tax profit was DKK 248 million (a loss of DKK 135 million). The comparative figures for Q3 and year-to-date 2003/04 were adversely affected by changes in accounting estimates and one-off items, by DKK 9 million and DKK 179 million, respectively.
- Ordinary profit for Q3 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. Thus, the good performance achieved during the first six months of the financial year continued.
- The wholesale and retail sales channels improved their performance substantially in Q3. In the year to date, all sales channels have generated profits.
- Net interest-bearing debt was DKK 432 million (DKK 594 million), which was DKK 162 million lower than at 31 March 2004. The year-to-date change in cash was an inflow of DKK 60 million (an outflow of DKK 25 million).

### Increase of full-year forecast

- 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 DKK 140-160 million, including an extraordinary reversal of about DKK 30 million from the provisions for store closures. A net cash inflow in the range of DKK 160-180 million is forecast. The new forecast is an increase from the previous forecast of a pre-tax profit of DKK 110-140 million and a net cash inflow of DKK 100-130 million.



## FINANCIAL HIGHLIGHTS AND KEY RATIOS

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

DKK million	Q3		2004/05 9 months	2003/04 9 months	2003/04 12 months
	2004/05 3 months	2003/04 3 months			
<b>Income statement</b>					
Revenue	845	769	2,377	2,142	2,612
Gross profit	473	393	1,304	1,034	1,291
Operating profit before depreciation, amortisation & special items	155	72	346	62	(21)
Operating profit before goodwill amortisation & special items	133	50	285	(27)	(133)
Operating profit before special items	121	36	247	(68)	(184)
Operating profit	121	36	267	(121)	(275)
Net financial items	(6)	(5)	(19)	(15)	(19)
Profit/(loss) before tax	115	31	248	(135)	(294)
Profit/(loss) for the period	78	31	168	(135)	(309)
<b>Balance sheet</b>					
Fixed assets	508	589	508	589	553
Current assets	1,027	1,070	1,027	1,070	849
Total assets	1,535	1,659	1,535	1,659	1,402
Equity	470	477	470	477	290
Debt and provisions	1,065	1,182	1,065	1,182	1,112
<b>Cash flow statement</b>					
Cash flow from operating activities	(48)	(95)	110	12	130
Cash flow from investing activities	(15)	(17)	(53)	(61)	(77)
Cash flow from financing activities	2	0	3	24	22
Cash flow for the period	(61)	(112)	60	(25)	75
<b>Key ratios</b>					
Gross margin (%)	56.0	51.1	54.9	48.3	49.4
EBITDA margin (%)	18.3	9.4	14.5	2.9	neg
EBIT margin (%)	14.3	4.7	10.4	neg	neg
Return on equity (%)	16.5	5.5	35.6	neg	neg
Equity ratio (%)	30.6	28.7	30.6	28.7	20.7
Average capital employed including goodwill	951	1,071	1,096	1,222	1,037
Return on capital employed (%)	14.0	4.7	26.0	neg	neg
Net interest-bearing debt	432	594	432	594	497
Gearing (%)	92.0	124.7	92.0	124.7	171.1
<b>Share data*</b>					
Diluted average number of shares excluding own shares	18,252,831	18,003,654	18,209,030	18,003,654	18,011,196
Market price per share at end of period	129.9	40.4	129.9	40.4	42.5
Diluted earnings per share	4.3	1.7	9.2	(7.5)	(17.1)
Diluted cash flow per share	(2.6)	(5.3)	6.1	0.7	7.2
Diluted net asset value per share	25.7	26.5	25.8	26.5	16.1
Diluted price / earning	30.4	23.8	14.0	neg	neg
<b>Employees</b>					
Number of employees (full-time equivalents at the end of the period)	1,895	2,191	1,895	2,191	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.

## PERFORMANCE IN Q3 2004/05

Q3 revenue rose 10% to DKK 845 million (DKK 769 million). Most of the Group's brands have achieved substantial improvement. Only the brands Part Two and Matinique have recorded declines. Net store closures reduced revenue by DKK 35 million, whilst currency translation increased it by DKK 4 million.

### Sales performance by brand:

DKK million	Q3 2004/05	Q3 2003/04	Change	9 months 2004/05	9 months 2003/04	Change
Jackpot	175	170	3%	429	409	5%
InWear	143	127	13%	368	324	14%
Part Two	66	78	-15%	182	185	-2%
Cottonfield	58	48	21%	174	158	10%
Matinique	53	59	-11%	167	185	-10%
<b>Total key brands</b>	<b>495</b>	<b>482</b>	<b>3%</b>	<b>1,320</b>	<b>1,261</b>	<b>5%</b>
Peak Performance	162	131	24%	515	422	22%
Tiger of Sweden	96	62	56%	252	174	45%
Saint Tropez	31	30	3%	102	102	0%
Other own brands	53	41	29%	144	118	22%
<b>Total portfolio brands</b>	<b>342</b>	<b>264</b>	<b>30%</b>	<b>1,013</b>	<b>816</b>	<b>24%</b>
<b>Other external brands</b>	<b>8</b>	<b>23</b>	<b>-65%</b>	<b>44</b>	<b>65</b>	<b>-32%</b>
<b>Net sales</b>	<b>845</b>	<b>769</b>	<b>10%</b>	<b>2,377</b>	<b>2,142</b>	<b>11%</b>

The Group's key brands generated combined growth of 3% in Q3. This was positive, as most of the store closures related to the key brands. The portfolio brands generated substantial growth of 30%. Thus the good performance of H1 2004/05 continued in Q3 2004/05.

Other own brands comprise O by Isabell Kristensen, Designers Remix Collection, Error and By Malene Birger. Other external brands are third-party products. Other external brands are being reduced in order to enhance the performance of the Group's own brands and lift the Group's total gross margin.

Year-to-date revenue rose by 11%, consisting of 5% for the key brands and 24% for the portfolio brands. Net store closures reduced revenue from the key brands by DKK 82 million.

**Revenue by country:**

DKK million	Q3 2004/05	Q3 2003/04	Change	9 months 2004/05	9 months 2003/04	Change
Sweden	197	157	26%	554	449	23%
Denmark	146	134	9%	406	370	10%
Holland	90	90	0%	250	239	4%
UK & Ireland	65	58	11%	175	149	18%
Norway	59	41	43%	143	108	33%
Finland	53	50	4%	133	122	10%
Belgium	47	42	13%	130	113	15%
Germany	37	31	18%	105	87	21%
Switzerland	22	28	-19%	80	89	-11%
Poland	24	28	-16%	78	92	-15%
Canada	28	28	-1%	72	71	2%
Spain	22	14	55%	48	41	17%
Austria	11	10	14%	38	40	-5%
France	10	8	23%	23	20	14%
Czech rep.	6	7	-12%	22	23	-3%
Italy	3	2	27%	17	13	29%
Hungary	4	5	-2%	15	15	-2%
Other	21	36	-41%	88	101	-12%
<b>Net sales</b>	<b>845</b>	<b>769</b>	<b>10%</b>	<b>2,377</b>	<b>2,142</b>	<b>11%</b>

Revenue showed a rising trend both in Q3 and the year to date in the Group's eight largest markets, including Sweden, Denmark and the Netherlands. The fall 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 Polish market continued to show unsatisfactory performance during Q3. A turnaround plan has been prepared to counter this trend. The plan includes a change in pricing strategy, a strengthening of marketing activities, intensive training programmes for store managers and employees, an adjustment of the store portfolio and a number of organisational changes.

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

Gross profit for Q3 was DKK 473 million (DKK 393 million), equivalent to a gross margin of 56.0% (51.1%), whilst year-to-date gross profit was DKK 1,304 million (DKK 1,034 million), equivalent to a gross margin of 54.9% (48.3%). The year-to-date gross profit for 2003/04 was reduced by DKK 57 million, which was the effect of accounting estimate changes and items of a one-off nature. Adjusted for this effect, the gross margin for the first nine months of last year was 50.9%.

The underlying improvement of the Q3 gross margin by approximately 4.9 percentage points was the effect of better selling and buying prices, lower discounts and fewer products being returned or surplus products: a trend seen for all Group brands, sales channels and countries of operation.

The focus on key brands, including commercial tightening of the collection structure, changes in buying and better product flows for IC Companys' own retail stores thus continued to produce favourable results.

Q3 costs totalled DKK 352 million (DKK 356 million), whilst year-to-date costs totalled DKK 1,057 million (DKK 1,102 million). Year-to-date costs for 2003/04 were adversely affected by changes in accounting estimates and one-off items totalling DKK 69 million, of which the effect of the accounting estimate change regarding the residual life of goodwill accounted for DKK 49 million. Adjusted for this effect, costs for the first nine months of last year totalled DKK 1,053 million.

In the first nine months of 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.

An extraordinary 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 favourable trend continued in Q3, as some material risks were clarified. On that background, Management expects to make an additional extraordinary reversal of approximately DKK 10 million on 30 June 2005.

Financial items for Q3 amounted to a net expense of DKK 6 million (DKK 5 million), whilst year-to-date financial items totalled DKK 19 million (DKK 15 million). As a result of the adverse performance of the activities in Poland, a year-to-date DKK 2 million loss on forward contracts was recognised for the period.

Profit before tax for Q3 was DKK 115 million (DKK 31 million). Profit before tax for the first nine months of the year was DKK 248 million, including an extraordinary reversal of DKK 20 million from the provisions for store closures (a loss of DKK 135 million). The year-to-date profit before tax for 2003/04 was reduced by DKK 179 million, which was the effect of accounting estimate changes and items of a one-off nature. Adjusted for this effect, pre-tax profit for first nine months of last year was DKK 44 million. Thus, ordinary profit rose by DKK 76 million in Q3 and a total of DKK 184 million for the first nine months of the financial year.

It is satisfactory that Q3 continued to show an improvement in ordinary profit, and that the improvement was broadly founded.

An estimated tax charge of DKK 79 million was recognised for the entire period, equivalent to 32% of the pre-tax profit.

#### **Wholesale operation**

Q3 wholesale revenue rose 19% to DKK 649 million (DKK 544 million). The growth was generated in all Group brands except for Matinique and Part Two. Year-to-date wholesale revenue rose 21% to DKK 1,665 million (DKK 1,379 million).

The Q3 segment profit rose to DKK 173 million (DKK 126 million), equivalent to a profit margin of 26.7% (23.2%). The year-to-date segment profit rose to DKK 362 million (DKK 205 million), equivalent to a segment profit margin of 21.7% (14.9%).

The wholesale operation has completed the order intake for the 2005 fall collection recording total growth of 11%. The order intake for the key brands improved by 1%, whilst the portfolio brands rose by 21%. The developments in the order intake should be seen in light of a tightening of the commercial trading conditions for the key brands, which reduced the order intake compared with last year. Against this backdrop, Management expects a better utilisation of the volume of orders for the key brands in future.

The earnings level for the wholesale operation is improving but not yet satisfactory. The key areas of focus for the wholesale business continue to be efficiency improvements in sales, focused sales efforts for the key brands – especially in the Nordic markets and the Benelux, continuing international expansion for the key brands, improvement of revenue from orders received and a further development of the brand-aligned sales organisation.

Moreover, the franchise operation will be merged organisationally with the retail operation effective 1 July 2005. This optimises the utilisation of competencies in the two organisations.

#### **Retail operation**

Q3 retail revenue fell 13% to reach DKK 167 million (DKK 193 million). Revenue was down by DKK 35 million due to net store closures. Same-store sales rose by 5% in Q3 (organic sales growth). Q3 same-store sales of key brands rose by 2%. This performance was adversely affected by developments in Poland. Same-store sales for all brands showed a 6% growth in the year to date.

The segment profit of the retail operation improved by DKK 32 million, totalling a loss of DKK 4 million (a loss of DKK 36 million), which is equivalent to a segment profit margin of minus 2.4% (minus 18.7%).

The earnings level for the retail operation remained unsatisfactory, although the significant improvement shows that the negative trend over the past several years has now been reversed. The earnings level reflected better sales through, resulting in fewer discounts and surplus 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 some of the Group's unprofitable stores.

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, and the completion of the scheduled store closures.

As stated in the 2003/04 Annual Report, the plans involve 60 stores. In line with these plans, 51 stores were closed down by 31 March 2005 and as planned 20 stores were converted into franchises. A provision of DKK 46 million was made at 30 June 2004 for the 60 store closures.

So far, less of the provisions than anticipated has been spent on the store closures, 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 extraordinarily reversed at 31 December 2004. In Q3, a number of material risks were reduced, so a further extraordinary reversal of approximately DKK 10 million is expected to be made on 30 June 2005 which will be classified as a special item.

#### **Outlet operation**

Q3 revenue from the outlet operation was down 9% to DKK 29 million (DKK 32 million). Year-to-date revenue rose 7% to DKK 106 million (DKK 99 million).

The Q3 segment profit from the outlet operation rose to DKK 4 million (DKK 4 million), equivalent to a profit margin of 13.8% (12.2%). The year-to-date segment profit rose to DKK 14 million (a loss of DKK 2 million), equivalent to a segment profit margin of 13.2% (minus 2.0%).

It was satisfactory to see earnings in the outlet operation improve following recent years' significant losses. This was achieved through an improved product flow and 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.

The performance of the outlet stores is expected to improve further when a sorting and picking inventory facility for surplus products is brought into use.

#### **Termination of cooperation with Isabell Kristensen**

Our cooperation with Isabell Kristensen concerning the brand O by Isabell Kristensen will be terminated. As from July 2005 the collection will be marketed under the name Soaked in Luxury and the present level of turnover is expected at least to be maintained.

### Cash flow and net interest-bearing debt

The Q3 cash flow from operating activities was an outflow of DKK 48 million (an outflow of DKK 95 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 Q3 cash flow from operating activities was adversely affected by DKK 4 million from the use of a provision for costs of operating vacant premises and store rent relating to stores scheduled for closure.

Gross investments in Q3 totalled DKK 16 million (DKK 18 million). Most of the investments were spent on decorating stores.

The Q3 cash flow from financing activities was an inflow of DKK 3 million (DKK 0 million), as shares with a total value of DKK 3.6 million were sold as a result of the exercise of rights under stock incentive plans.

The net cash flow for Q3 was an outflow of DKK 61 million (an outflow of DKK 112 million), equivalent to an improvement of DKK 51 million.

Consolidated net interest-bearing debt was DKK 432 million (DKK 594 million), equivalent to a satisfactory reduction by DKK 162 million compared with the level at 31 March 2004.

### Balance sheet

Consolidated assets fell by DKK 124 million from DKK 1,659 million at 31 March 2004 to DKK 1,535 million at 31 March 2005. This was the result of a reduction in both fixed assets (minus DKK 81 million) and current assets (minus DKK 43 million). Fixed assets were reduced partly because capital investments were lower than depreciation charges and partly as a result of impairment charges taken on fixed assets in connection with store closures (minus DKK 23 million) and impairment charges on goodwill (DKK minus 46 million).

Current assets were reduced as a result of a substantial reduction in inventories (minus DKK 76 million). The reduction was the result of a substantial cutback in the Group's surplus products, a reduction in new product inventories and a relatively lower average purchase price per unit. Trade receivables increased by 7%, which was favourable seen in the context of a 19% increase in wholesale revenue in Q3.

### Movements in equity

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

DKK million	2004/05	2003/04
<b>Equity as at 1 July</b>	<b>290</b>	<b>600</b>
Profit/(loss) for the period	168	(135)
Currency translation of subsidiaries	2	(4)
Proceeds from exercise of employee warrants	7	-
Net value adjustment of derivative financial instruments	3	16
<b>Equity as at 31 March</b>	<b>470</b>	<b>477</b>

The equity has increased by DKK 180 million at 31 March 2005, and the equity ratio has consequently improved to 30.6%, up from 20.7% at 30 June 2004.

Executives in the Group exercised rights under the stock incentive plans in the autumn of 2004 and in spring of 2005, which increased equity by DK 7 million.

### **OUTLOOK FOR THE FINANCIAL YEAR ENDING 30 JUNE 2005**

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 DKK 140-160 million, including an extraordinary reversal of about DKK 30 million from the provisions for store closures. A net cash inflow in the range of DKK 160-180 million is forecast. The new forecast is an increase from the previous forecast of a pre-tax profit of DKK 110-140 million and a net cash inflow of DKK 100-130 million.

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 was also the case in 2003/04, a loss is expected for Q4 of the 2004/05 financial year.

### **IC Companys A/S**

Niels Martinsen  
Chairman

Henrik Theilbjørn  
President & CEO

### **Contacts**

Henrik Theilbjørn, President & CEO  
Telephone (direct) +45 3266 7646

Chris Bigler, CFO  
Telephone (direct) +45 3266 7017

*This announcement is a translation from the Danish language of announcement no. 18/2005 to the Copenhagen Stock Exchange. In the event of any discrepancy between the Danish and English versions, the Danish version shall prevail*



## 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.

Q3 2004/05					
DKK million	Wholesale	Retail	Outlet	Unallocated	Group
Revenue	649	167	29		845
<b>Segment profit/(loss)</b>	<b>173</b>	<b>(4)</b>	<b>4</b>		<b>173</b>
<i>Segment profit margin</i>	26.7%	-2.4%	13.8%		20.5%
Corporate costs*				(40)	(40)
Goodwill amortisation and impairment				(12)	(12)
<b>Operating profit</b>					<b>121</b>
<i>EBIT margin</i>					14.3%
Q3 2003/04					
	Wholesale	Retail	Outlet	Unallocated	Group
Revenue	544	193	32		769
<b>Segment profit/(loss)</b>	<b>126</b>	<b>(36)</b>	<b>4</b>		<b>94</b>
<i>Segment profit margin</i>	23.2%	-18.7%	12.5%		12.2%
Corporate costs*				(44)	(44)
Goodwill amortisation and impairment				(14)	(14)
<b>Operating profit</b>					<b>36</b>
<i>EBIT margin</i>					4.7%

**SEGMENT INFORMATION - CONTINUED**

DKK million	9 months 2004/05				Group
	Wholesale	Retail	Outlet	Unallocated	
Revenue	1,665	606	106		2,377
<b>Segment profit</b>	<b>362</b>	<b>32</b>	<b>14</b>		<b>408</b>
<i>Segment profit margin</i>	21.7%	5.3%	13.2%		17.2%
Corporate costs*				(123)	(123)
Goodwill amortisation and impairment				(38)	(38)
<b>Operating profit before special items</b> <i>EBIT margin</i>					<b>247</b> 10.4%
Special items		20			20
<b>Operating profit</b>					<b>267</b>

DKK million	9 months 2003/04				Group
	Wholesale	Retail	Outlet	Unallocated	
Revenue	1,379	664	99		2,142
<b>Segment profit/(loss)</b>	<b>205</b>	<b>(69)</b>	<b>(2)</b>		<b>134</b>
<i>Segment profit margin</i>	14.9%	-10.4%	-2.0%		6.3%
Corporate costs*				(141)	(141)
Goodwill amortisation and impairment				(61)	(61)
<b>Operating profit before special items</b> <i>EBIT margin</i>					<b>(68)</b> -3.2%
Special items		(37)		(16)	(53)
<b>Operating profit/(loss)</b>					<b>(121)</b>

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

**INCOME STATEMENT**

DKK thousand	GROUP				
	Q3 2004/05	Q3 2003/04	9 months 2004/05	9 months 2003/04	2003/04
<b>REVENUE</b>	<b>845,319</b>	<b>769,119</b>	<b>2,377,289</b>	<b>2,142,253</b>	<b>2,612,204</b>
Cost of sales	(372,252)	(376,469)	(1,073,165)	(1,108,456)	(1,320,758)
<b>GROSS PROFIT</b>	<b>473,067</b>	<b>392,650</b>	<b>1,304,124</b>	<b>1,033,797</b>	<b>1,291,446</b>
Selling and distribution costs	(213,884)	(220,168)	(656,987)	(660,330)	(922,752)
Administrative costs	(141,911)	(138,009)	(414,371)	(445,439)	(567,660)
Other operating income	7,305	2,592	19,198	7,794	15,013
Other operating costs	(3,481)	(1,084)	(4,812)	(3,607)	0
<b>OPERATING PROFIT/(LOSS) BEFORE SPECIAL ITEMS</b>	<b>121,096</b>	<b>35,981</b>	<b>247,152</b>	<b>(67,785)</b>	<b>(183,953)</b>
Special items	0	0	20,000	(53,000)	(91,000)
<b>OPERATING PROFIT</b>	<b>121,096</b>	<b>35,981</b>	<b>267,152</b>	<b>(120,785)</b>	<b>(274,953)</b>
Net financial items	(6,396)	(5,406)	(19,456)	(14,662)	(18,560)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>114,700</b>	<b>30,575</b>	<b>247,696</b>	<b>(135,447)</b>	<b>(293,513)</b>
Income tax for the period	(36,704)	0	(79,264)	0	(15,240)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>77,996</b>	<b>30,575</b>	<b>168,432</b>	<b>(135,447)</b>	<b>(308,753)</b>
Diluted earnings per share DKK	4.3	1.7	9.2	(7.5)	(17.1)

**BALANCE SHEET – ASSETS**

DKK thousand	Group		
	31.03.2005	31.03.2004	30.06.2004
<b>FIXED ASSETS</b>			
Goodwill	134,684	173,639	171,999
Software and IT systems	29,147	24,489	28,222
Trademark rights	289	324	315
Leasehold rights	31,822	44,718	40,101
<b>Total intangible assets</b>	<b>195,942</b>	<b>243,170</b>	<b>240,637</b>
Land and buildings	24,944	29,413	25,360
Leasehold improvements	85,828	111,510	90,427
Equipment and furniture	60,471	61,596	60,038
<b>Total property, plant and equipment</b>	<b>171,243</b>	<b>202,519</b>	<b>175,825</b>
Shares	240	232	208
Deposits, etc.	29,928	29,478	27,583
Deferred tax assets	110,623	113,411	108,721
<b>Total investments</b>	<b>140,791</b>	<b>143,121</b>	<b>136,512</b>
<b>Total fixed assets</b>	<b>507,976</b>	<b>588,810</b>	<b>552,974</b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>	<b>259,040</b>	<b>335,494</b>	<b>380,840</b>
Trade receivables	440,176	410,248	200,956
Income tax receivable	44,999	61,811	53,007
Other receivables	39,087	42,276	40,986
Prepayments	103,441	98,551	62,790
<b>Total receivables</b>	<b>627,703</b>	<b>612,886</b>	<b>357,739</b>
<b>Cash and cash equivalents</b>	<b>140,186</b>	<b>122,004</b>	<b>110,395</b>
<b>Total current assets</b>	<b>1,026,929</b>	<b>1,070,384</b>	<b>848,974</b>
<b>TOTAL ASSETS</b>	<b>1,534,905</b>	<b>1,659,194</b>	<b>1,401,948</b>

**BALANCE SHEET – EQUITY AND LIABILITIES**

DKK thousand	Group		
	31.03.2005	31.03.2004	30.06.2004
<b>Total equity</b>	<b>469,600</b>	<b>476,817</b>	<b>290,242</b>
<b>PROVISIONS</b>			
Deferred tax	5,905	1,728	5,890
Other provisions	40,708	62,078	72,319
<b>Total provisions</b>	<b>46,613</b>	<b>63,806</b>	<b>78,209</b>
<b>DEBT</b>			
Financial institutions	6,411	10,424	9,139
Capitalised lease liability	39,081	40,095	39,636
<b>Total long-term debt</b>	<b>45,492</b>	<b>50,519</b>	<b>48,775</b>
Financial institutions	526,271	665,293	557,587
Capitalised lease liability	606	606	612
Trade payables	125,914	146,077	235,733
Income tax	8,623	23,425	21,826
Calculated income tax on the profit for the period	79,264	-	-
Other debt	232,522	232,651	168,964
<b>Total short-term debt</b>	<b>973,200</b>	<b>1,068,052</b>	<b>984,722</b>
<b>Total debt</b>	<b>1,018,692</b>	<b>1,118,571</b>	<b>1,033,497</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,534,905</b>	<b>1,659,194</b>	<b>1,401,948</b>

## GROUP CASH FLOW STATEMENT

DKK thousand	Group				
	Q3 2004/05	Q3 2003/04	9 months 2004/05	9 months 2003/04	2003/04
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Operating profit/(loss) before special items	121,096	35,981	247,152	(67,785)	(183,953)
Reversed depreciation and impairment losses	34,544	35,342	98,436	129,494	163,118
Other adjustments	442	(2,300)	(1,399)	2,650	4,175
Special items paid	(3,610)	(15,001)	(11,539)	(24,500)	(28,440)
Change in working capital	(185,858)	(144,770)	(200,015)	(17,705)	184,141
<b>Cash flow from operating activities before financial items</b>	<b>(33,386)</b>	<b>(90,748)</b>	<b>132,635</b>	<b>22,154</b>	<b>139,041</b>
Financial income received	1,990	4,167	6,556	11,660	11,992
Financial expenses paid	(7,608)	(9,687)	(22,861)	(27,442)	(30,740)
<b>Cash flow from ordinary activities</b>	<b>(39,004)</b>	<b>(96,268)</b>	<b>116,330</b>	<b>6,372</b>	<b>120,293</b>
Income tax received / paid	(9,246)	1,619	(5,895)	5,512	9,538
<b>Total net cash flow from operating activities</b>	<b>(48,250)</b>	<b>(94,649)</b>	<b>110,435</b>	<b>11,884</b>	<b>129,831</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Acquisitions of enterprises and operations	-	-	(7,000)	-	-
Purchase of intangible assets	(2,346)	(484)	(8,398)	(8,667)	(16,752)
Purchase of property, plant and equipment	(13,256)	(17,313)	(42,002)	(51,783)	(70,912)
Purchase / sales of other fixed assets	441	900	3,689	(566)	10,626
<b>Total net cash flow from investing activities</b>	<b>(15,161)</b>	<b>(16,897)</b>	<b>(53,711)</b>	<b>(61,016)</b>	<b>(77,038)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Tax value of discount on employees shares	-	-	-	27,758	27,758
Instalments on and repayment of long-term debt	(923)	(256)	(3,208)	(3,594)	(5,360)
Proceeds from exercise of employee warrants	3,643	-	6,598	-	-
<b>Total net cash flow from financing activities</b>	<b>2,720</b>	<b>(256)</b>	<b>3,390</b>	<b>24,164</b>	<b>22,398</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>(60,691)</b>	<b>(111,802)</b>	<b>60,114</b>	<b>(24,968)</b>	<b>75,191</b>
<b>CASH AND CASH EQUIVALENTS</b>					
Cash and cash equivalents, beginning of period	(325,973)	(436,946)	(447,192)	(517,614)	(517,614)
Currency translation adjustment of cash, beginning of period	(16)	5,459	398	(707)	(4,769)
Cash flow for the period	(60,691)	(111,802)	60,114	(24,968)	75,191
<b>Cash and cash equivalents, end of the period</b>	<b>(386,680)</b>	<b>(543,289)</b>	<b>(386,680)</b>	<b>(543,289)</b>	<b>(447,192)</b>