

ANNUAL REPORT 2004/05



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IC  MPANYS
HOME OF FASHION BRANDS

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SUMMARY

Profit announcement for the financial year ended 30 June 2005

Revenue grew by 8% in the 2004/05 financial year. A turnaround in earnings was achieved during the year, including a DKK 196 million lift in profit on ordinary operations. The EBIT margin forecast for the financial year ending 30 June 2006 is 9.5%-10.5%.

The Board of Directors of IC Companys A/S today considered and adopted the audited Annual Report for the year ended 30 June 2005.

- Revenue rose 8% to reach DKK 2,819 million (DKK 2,612 million).
- A pre-tax profit of DKK 158 million was posted (a loss of DKK 294 million). Performance in the 2003/04 financial year was adversely affected by one-off items and changes in accounting estimates; the 2003/04 loss would have been DKK 68 million net of these items.
- Ordinary profit for the full year showed satisfactory growth, achieved through stronger overall sales figures, higher gross margins for all brands and sales channels, and lower exchange rates for the sourcing currencies.
- The sales channels – Wholesale, Retail and Outlet – improved performance significantly and all sales channels contributed to the consolidated profit.
- The free cash flow was DKK 195 million (DKK 53 million). Net interest-bearing debt fell by DKK 184 million, from DKK 497 million to DKK 313 million.
- The sales decline in the original brands – Jackpot, InWear, Part Two, Matinique and Cottonfield – has stopped.
- Other own brands showed satisfactory growth: the combined growth rate was 22%, and these brands now account for 42% of consolidated revenue.
- During the revitalisation period, 50 unprofitable own retail stores have been closed down and 20 converted into franchise operations.
- Sir of Sweden (a sub-label of Tiger of Sweden) has been sold and Error closed down to increase focus on the remaining profitable operations.
- As a logical consequence of the growth in Group earnings, tax assets have been reassessed and increased by DKK 55 million.

Favourable outlook

- For 2005/06, we forecast revenue to be in the region of DKK 3,000 million and a profit before interest and tax in the range of DKK 285–315 million (an EBIT margin of 9.5%-10.5%) following the transition to IFRS on 1 July 2005. The free cash flow is projected to be in the range of DKK 250-280 million.

Three-year financial targets: Growth expected to continue

- IC Companys' three-year financial targets for the year ending 30 June 2008 include revenues in the region of DKK 3,800 million, an EBIT margin of 13-15% and a free cash flow of more than DKK 400 million.

- The Board of Directors recommends that a dividend policy be established, with a distribution of 30% of the profit for the year from and including the 2005/06 financial year.
- Over the three-year horizon, plans are to use surplus liquidity on a share buyback programme scheduled to begin in 2006.

The annual general meeting will be held on Wednesday, 26 October 2005 at 3.00 p.m. at "Den Sorte Diamant", Søren Kirkegaards Plads 1, DK-1221 Copenhagen K.

As in 2003/04, the Annual Report for the 2004/05 financial year in the form of this announcement replaces the print version of the financial statements.

The Annual Report is also available at www.iccompanys.com.

ADDITIONAL INFORMATION

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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



FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK thousand	2004/05 12 months	2003/04 12 months	2002/03 12 months	2001/02 12 months	Proforma 2000/01 12 months
Income statement					
Revenue	2,819,424	2,612,204	2,685,251	2,890,840	3,154,729
Gross profit	1,585,569	1,291,446	1,436,826	1,450,919	1,700,930
Operating profit before depreciation, amortisation & special items	279,080	(20,835)	222,900	248,093	274,276
Operating profit before goodwill amortisation & special items	203,049	(133,305)	120,950	121,750	108,833
Operating profit before special items	152,769	(183,953)	108,573	112,315	101,207
Operating profit	181,994	(274,953)	44,273	112,315	101,207
Net financial items	(23,976)	(18,560)	(25,753)	(49,932)	(44,611)
Profit/(loss) before tax and merger costs	158,018	(293,513)	18,520	62,383	56,596
Profit/(loss) before tax	158,018	(293,513)	18,520	62,383	(193,508)
Profit/(loss) for the year	172,481	(308,753)	959	42,902	(149,492)
Balance sheet					
Fixed assets	566,734	552,974	666,166	633,883	528,587
Current assets	851,402	856,077	1,141,572	1,122,070	1,270,750
Total assets	1,418,136	1,409,051	1,807,738	1,755,953	1,799,337
Equity	495,284	290,242	599,651	582,951	546,464
Debt and provisions	922,852	1,118,809	1,208,087	1,173,002	1,252,873
Cash flow statement					
Cash flow from operating activities	277,871	129,831	183,506	205,518	114,612
Cash flow from investing activities	(82,524)	(77,038)	(161,549)	(73,483)	(70,776)
Cash flow from operating- and financing activities	195,347	52,793	21,957	132,035	43,836
Cash flow from financing activities	(3,026)	22,398	(31,419)	(64,146)	(14,946)
Cash flow for the year	192,321	75,191	(9,462)	67,889	28,890
Key ratios					
Gross margin (%)	56.2	49.4	53.5	50.2	53.9
EBITDA margin (%)	9.9	neg	8.3	8.6	8.7
EBIT margin (%)	5.4	neg	4.0	3.9	3.2
Return on equity (%)	43.9	neg	0.2	14.7	neg
Equity ratio (%)	34.9	20.6	33.2	33.2	30.4
Average capital employed including goodwill	903,536	1,037,464	1,176,154	1,159,611	1,169,285
Return on capital employed (%)	22.5	neg	10.3	10.5	neg
Net interest-bearing debt	313,408	496,579	571,559	542,963	611,213
Gearing (%)	63.3	171.1	95.3	93.1	111.8
Share data*					
Diluted average number of shares excluding own shares	18,201,623	18,034,106	17,925,912	17,258,770	17,033,518
Market price per share at end of period	275.0	42.5	45.0	35.0	59.9
Diluted earnings per share	9.5	(17.1)	0.1	2.5	(8.8)
Diluted cash flow per share	15.3	7.2	10.2	11.9	6.7
Diluted net asset value per share	26.5	16.0	33.0	33.2	31.6
Diluted price / earning	29.0	neg	841.2	14.1	neg
Employees					
Number of employees (full-time equivalents at year-end)	1,926	2,026	2,344	2,096	2,503

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.

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

The definitions of key ratios are included at the end of this Annual Report.

MESSAGE FROM THE EXECUTIVE BOARD

We have come a long way with the revitalisation of IC Companys. We went from minus to plus, from decline to progress, and from depression to renewed confidence in the future.

Seen in isolation, we are satisfied with the financial results we present for 2004/05. Revenue for the full year grew by DKK 200 million, equivalent to 8% organic growth. Pre-tax profit was DKK 158 million, which is also a significant year-on-year improvement. It is particularly satisfactory that the results are, above all, due to an increase in our gross margin by almost seven percentage points as a result of better selling and sourcing prices, lower discounts, and fewer return and surplus products.

As a result, we are happy to learn that the progress was broadly founded – across brands, sales channels and markets. We are once again seeing growth in IC Companys' order intake, and we have finally made a profit on our own store operations.

But the financial statements also include an imbalance in growth and earnings between the original brands (*InWear, Matinique, Jackpot, Cottonfield and Part Two*) and our other own brands (*Peak Performance, Tiger of Sweden, Saint Tropez, Soaked in Luxury, Designers Remix Collection and By Malene Birger*). The latter account for 42% of revenue but as much as 80% of earnings. Thus, there is still a lot to be done by the original brands to make up for this.

We are already working on this, as the commercial tightening of the collection structure, changes in sourcing and better product flows in our own stores have yielded favourable results earlier than expected for our original brands, and our other own brands reported significant growth in the 2004/05 financial year. We believe this is a clear indication that IC Companys is back on track.

Concurrently with the favourable developments in our performance, the Group's overall management structure is now in place. IC Companys has implemented a brand-orientated management structure, which is a strategic change compared with the functional focus we used to have. All our brands have competent and professional managements who combine lengthy industry experience with excellent business acumen. This is a key element in the realisation of the strategy of the *new IC Companys*.

The goal of the new IC Companys is to create a portfolio of strong and independent brands with a high degree of distinctiveness, a portfolio which draws on the competencies and resources of our joint functions: in other words, an organisation that combines the commercial focus of each brand with the great cost and quality advantages anchored in IC Companys' joint operation of production, logistics, IT and finance. That is what we mean when we call the new IC Companys *Home of Fashion Brands*.

The Group's overall earnings level for 2004/05 is still less satisfactory in view of the industry potential. However, we feel confident that the new IC Companys is well prepared to handle the challenges we now face.

We would like to thank all employees of IC Companys for their commitment and hard work during the past year and for all their support of the measures taken. Job satisfaction, energy and motivation are back in our day-to-day operations.

Henrik Theilbjørn
President & CEO

Mikkel V. Olesen
Executive Vice President

ANNUAL REPORT

Highlights of 2004/05

We are very satisfied that, as expected, we are able to report a pre-tax profit of DKK 158 million (a pre-tax loss of DKK 294 million in 2003/04).

Profit was favourably affected by an extraordinary reversal of DKK 30 million from provisions for store closures, as the store closures were finalised with lower-than-expected losses, primarily due to better operating performance of the stores during the period up until closure and the receipt of key money for a number of store leases. Net of this extraordinary income, pre-tax profit was DKK 128 million.

The year-on-year growth relative to 2003/04 was primarily due to a DKK 207 million, or 8%, increase in turnover and an improvement of the gross margin to 56.2% from 49.4% in 2003/04. The underlying improvement of the gross margin by approximately 6.8 percentage points totalled DKK 192 million and was the effect of better selling and buying prices, lower discounts, lower sourcing currencies, and fewer return and surplus products: a trend seen in all Group brands, sales channels and countries of operation.

The marked improvement in gross margin was the primary reason for the year's four increases in the full-year forecast. Our renewed focus on the original brands (InWear, Matinique, Jackpot, Cottonfield and Part Two), including a commercial tightening of the collection structure, changes in sourcing and better product flows for IC Companys' own retail stores, has shown favourable results earlier than expected, and the growth in the Group's other brands is continuing (Peak Performance, Tiger of Sweden, Saint Tropez, Soaked in Luxury, Designers Remix Collection and By Malene Birger).

The improvement in profit generation is broadly founded. All sales channels posted profits for the year, and we succeeded in turning around previous years' losses in IC Companys' retail and outlet operations into a profit in 2004/05 and increased earnings in the wholesale operation.

The wholesale operation has completed its order intake for the Autumn and Winter 2005 and the Spring 2006 collections and recorded a combined growth of 11% composed of a combined growth rate of 2% for the original brands and a combined growth rate of 24% for the Group's other own brands. Thus, many years' decline in the original brands has come to an end, and the strong upward trend in the Group's other own brands is continuing.

The retail operation was affected by the implementation of the planned store closures and conversions into franchises, so that the Group now has a much healthier store portfolio in its key markets.

Likewise, earnings in the outlet operation improved compared with previous years' significant losses. This was achieved through improved product flows and a lower inflow of surplus products.

The Group's overall earnings level for 2004/05 is still considered less satisfactory compared to the industry potential.

The revitalisation project has moved on to the next phase. In 2004/05, a new line was laid out for IC Companys' strategic foundation based on a multibrand strategy, which rests on a functional, management and commercial division into Group brands with a shared platform.

The multibrand strategy requires continuing updates of the brand portfolio for brands that do not perform satisfactorily or for other reasons no longer fit into our portfolio. As early as in 2004/05, we updated Soaked in Luxury (formerly O by Isabell Kristensen), divested the confection label Sir of Sweden (a sub-label of Tiger of Sweden) and closed down the Error jeans label.

On the basis of the multibrand strategy, a clear direction was also laid out in 2004/05 for IC Companys' three-year financial targets, which will be discussed later in this Annual Report.

With the appointment of a new Executive Board and changes in the Board of Directors, we have now achieved some stability in the organisation. The 2004/05 financial year was a challenging year for all IC Companys staff, involving a focus both on the acute operative revitalisation process and the formulation, roll-out and implementation of a long-term multibrand strategy.

OUTLOOK FOR 2005/06

We forecast revenue for 2005/06 to be roughly DKK 3,000 million and profit before interest and tax DKK 285–315 million (an EBIT margin of 9.5%-10.5%) following the transition to IFRS on 1 July 2005.

Operating investments in the region of DKK 90 million are scheduled for 2005/06, and capital investments totalling approximately DKK 20 million will be made during the year.

Against this backdrop, the free cash flow is estimated to be in the range of DKK 250-280 million.

Our forecasts for 2005/06 are ambitious and presuppose the positive effects of previous improvement measures materialising at the anticipated rate and that the EU and China reinstate the ease of import restrictions announced in September 2005.

IC COMPANYS' VISION: THREE-YEAR FINANCIAL TARGETS

It is IC Companys' vision to achieve a leading international position within the development, sale and marketing of fashionwear and accessories through a multibrand strategy under which consumers are offered a number of strong brands with clear profiles and a high degree of distinctiveness.

IC Companys wishes to develop only brands with considerable international revenue and earnings potential and those which support the Company's overall financial targets.

It is IC Companys' three-year financial objective to generate revenues in the region of DKK 3,800 million, an EBIT margin of 13-15% and a free cash flow of more than DKK 400 million, and for these targets to be achieved by the 2007/08 financial year.

These financial targets are based on dividends of 30% of the net profit being distributed each year, initially in respect of the 2005/06 financial year. The bank debt is to be kept at DKK 200-300 million, and surplus cash will be used for a share buyback programme.

The financial targets are also based on organic growth within the three-year planning horizon. We expect to be able to generate satisfactory volume and earnings growth in all Group brands. All brands will be independently responsible for meeting the financial targets.

In order to ensure a focused completion of the current revitalisation project, the targets do not include any plans of own development or acquisition of new brands, and we do not expect to sell any of our existing brands.

The vision and the targets are ambitious and are based on two fundamental principles:

- Value creation through further development of the brand portfolio (the multibrand strategy)
- Improved profitability through efficient joint functions, including the supply chain (the shared platform)

In addition, the vision and targets are based on certain assumptions with respect to

- market potential and
- the organisation's and – not least – management's ability to implement the strategy (implementation capability).

Multibrand strategy

The objective of IC Companys' multibrand strategy is to maximise the return on a portfolio of independent fashion brands.

Today, our brand portfolio consists of 11 brands:



The multibrand strategy is based on a functional, management and commercial separation of IC Companys business activities into:

- A market-orientated management of each brand which handles market positioning, product development and sales and includes all the activities that form part of each brand's identity and the consumer's buying decision.
- A shared platform for the brand portfolio which handles and supports all the supply activities that are not relevant to the actual brand identity or consumer buying decisions and that give each brand significant cost and quality advantages.

The multibrand strategy involves a number of key advantages for IC Companys:

- The multibrand strategy on the shared platform provides optimal opportunities for a targeted focus on brand positioning and brand development, with the individual brands then able to concentrate on creative and commercial processes.
- The multibrand strategy on the shared platform is supported by facts-based, systematically and commercially planned design and sales processes for each brand.
- The multibrand strategy allows us to build up brand equity in IC Companys. The stronger the market position an individual brand achieves, the greater that brand's growth, gross margin and value creation will be.
- The multibrand strategy provides a unique opportunity for offering the whole or parts of the brand portfolio as a franchise store concept under the IC Companys name in selected markets.
- The multibrand strategy ensures diversification of the business risk into many differentiated brands.

The multibrand strategy requires continual updating of the brand portfolio when brands do not show satisfactory performance or for other reasons no longer fit in the portfolio.

The shared platform

The number of corporate joint functions and thus the opportunities to exploit and maximise sizeable synergies in the supply chain and other joint functions cutting across brands is crucial to IC Companys' competitiveness.

For this reason, it is a central element of IC Companys' strategy to continue to develop the Group's joint functions:

- The shared platform makes it possible to achieve considerable cost efficiencies for each brand, irrespective of size, through lower production costs (sourcing).
- The shared platform makes it possible to ensure a high product quality and reliability of delivery to retailers and own stores.
- The shared platform makes it possible for all brands to quickly and securely handle sourcing changes (geographic changes) and thus exploit new sourcing opportunities, thereby reducing IC Companys' operational risk.
- The shared platform, with its solid IT support of all elements of sales, production, logistics and administration, makes it possible for each brand to concentrate on its own creative and commercial development.

The combination of a multibrand strategy with a shared platform is a strength for IC Companys. Our objective with the shared platform is thus to establish a "plug 'n' play" platform which can handle efficient management of the existing brands in the longer term concurrently with business development through the establishment of new brands and integration of additional purchased brands.

Market potential and areas of focus

An important element of IC Companys' strategy is the selection of market segments and geography. Each brand positions itself differently in terms of consumer groups, price/quality and dress moments within the European mid-market.

Demand is driven by each brand's identity and image value, so we do not expect any sizeable synergies on the demand side. IC Companys' business strategy is thus based on the brand portfolio utilising the considerable earnings potential across market segments and price levels.

IC Companys believes that the European mid-market is a huge and growing market worth roughly EUR 170 billion which can easily accommodate IC Companys' strategic goal of organic and earnings growth. Moreover, the market is highly fragmented, and no one competitor can be said to have a dominant position.

Seen in that light, IC Companys' market share per brand is negligible, and the brand portfolio has not yet fully exploited or to any great extent moved outside IC Companys' traditionally strongest markets: Scandinavia, the Netherlands and Belgium.

As stated above, the market efforts to restore the original brands (Jackpot, InWear, Matinique, Cottonfield and Part Two) will be concentrated on markets where the awareness and potential is deemed to be greatest in the two-to-three-year term. This also applies to Designers Remix Collection, Soaked in Luxury and Saint Tropez, which we still believe have a great deal of potential for growth in those markets.

Peak Performance, Tiger of Sweden and By Malene Birger will to a greater extent target the southern European markets, the UK and Canada for expansion.

In the longer term, IC Companys sees possible growth potential in eastern Europe, China, India and South America.

Implementation capability and risk

IC Companys has undergone a strategic and operational paradigm shift in the form of a complete reorientation from a functional focus to a brand focus, as a new brand-driven management structure has been implemented for all brands.

The success of this strategy depends on the ability of management and the organisation to carry through the turnaround process. This process includes implementing a number of operational initiatives in product development, wholesale sales and store operation whilst also implementing an efficient multibrand culture and efficiency improvements in the operation of each of the many joint functions.

The satisfactory results for the 2004/05 financial year demonstrate the ability of the management and the organisation to generate renewed growth. We believe that the steps taken will enable us to also ensure continuity and the ability to generate long-term results.

The multibrand strategy makes great demands on management's competencies and on the entire management system. It requires a focused and methodical management approach to operate and develop 11 independent brands side by side whilst also holding the entire organisation together. It requires both centralised and decentralised management capabilities which the new IC Companys, in its short history, has not yet demonstrated in all areas. We believe that we have both the capabilities and will to do this.

During 2004/05, we worked intensively with organisational development, reporting systems and anchoring the responsibility for and ownership of the targets and performance of the brands. This is a consequence of the practical separation of all brands into independent business units with managements of their own. During the coming financial year, we will assess to what extent we can best communicate the results of this key change in our organisation and our work methods, taking into account the competitive situation.

First and foremost, it was the operational revitalisation initiatives that generated the year's satisfactory profit performance. The commercial organisation and management of brands is considered an important precondition for completing the next phase of the revitalisation project and for achieving our financial targets.

As regards the Group's original brands, we have worked intensively with commercial product development in recent years in order to reduce the so-called "fashion risk" of each of the brands. We believe that these brands have come very far and have today a highly competitive platform. The multibrand strategy involves extensive diversification with respect to this risk, and taking that into consideration, we believe that the risk is moderate.

It is a prerequisite for achieving our financial targets that the Group can maintain its competitiveness at all times through inexpensive production in Asia. The Group's sourcing in these markets involves considerable political and financial risks, including EU import restrictions on products from China, a significant revaluation of the Chinese currency, and purchasing currencies such as the Hong Kong dollar and the US dollar increasing in value against the Euro.

The Group's improved performance during the year was supported by favourable economic conditions, especially on the Scandinavian markets. An economic downturn would have an adverse impact on our chances of achieving our financial targets.

In addition, the pace of our revitalisation project in the individual markets may also have an unfavourable or favourable impact on our ability to reach our financial goals.

Dividend policy and capital structure

In connection with the financial targets, IC Companys has decided to recommend to establish a dividend policy that involves distribution of 30% of each year's net profit from and including the 2005/06 financial year. Furthermore, IC Companys intends to use surplus liquidity on a share buyback programme scheduled to begin in 2006. The amount involved will be announced for a year at a time.

The basis for this decision is an expectation that the Group's cash generation is expected to significantly exceed the cash required for operational purposes to complete the revitalisation project within the financial planning horizon. The main reasons for this are:

- The average investment level is expected on average to correspond to the level of the annual depreciation charges.
- Working capital is expected to remain at the same proportion of revenue as it was at 30 June 2005.
- The Group's tax costs are expected to amount to 30-32% of the pre-tax profit, half of which will be payable in cash, whilst already recognised tax assets will be used for the other half.
- Bank debt will be maintained at the level of DKK 200-300 million.

Friheden Invest A/S, the Company's principal shareholder, has informed the Board of Directors that it has no plans to sell shares in connection with a possible share buyback programme, as it wishes to retain its present nominal shareholding in the Company as earlier announced.

OPERATING AND FINANCIAL REVIEW

The Annual Report of IC Companys A/S was prepared in accordance with the Danish financial statements legislation for class D companies and the requirements of the Copenhagen Stock Exchange for the presentation of financial statements by listed companies, including current Danish accounting standards.

The Group's accounting policies are unchanged from the 2003/04 financial year, and are described on page 25 of this Annual Report.

Revenue

Revenue was DKK 2,819 million, which was DKK 207 million, or 8%, higher than in 2003/04. Net store closures reduced revenue by DKK 137 million, whilst currency translation increased revenue by DKK 17 million.

Sales performance by brand:

DKK million	2004/05	2003/04	Change
Jackpot	513	504	2%
InWear	434	392	11%
Part Two	210	222	-5%
Cottonfield	219	198	11%
Matinique	200	232	-14%
Total original brands	1,576	1,548	2%
Peak Performance	569	471	21%
Tiger of Sweden	297	223	33%
Saint Tropez	146	130	11%
Soaked in Luxury	87	73	17%
By Malene Birger	51	13	294%
Designers Remix Collection	21	16	24%
Error	21	32	-35%
Edging	1	19	-95%
Total other own brands	1,193	977	22%
External brands	50	87	-42%
Net sales	2,819	2,612	8%

Edging has previously been closed down; Soaked in Luxury was updated (formerly O by Isabell Kristensen); and Error was closed down in the summer of 2005 to increase the focus on profitable operations.

Overall, revenues generated by the original brands grew by 2%, which underlines the fact that earlier years' decline has been stopped. The order intake for the first three of the four collections in the 2005/06 financial year provides a basis for anticipating satisfactory year-on-year growth in the 2005/06 financial year. The adverse trend of recent years has been reversed, and we expect that the original brands will prove that they are ready to recapture a share of the volume lost.

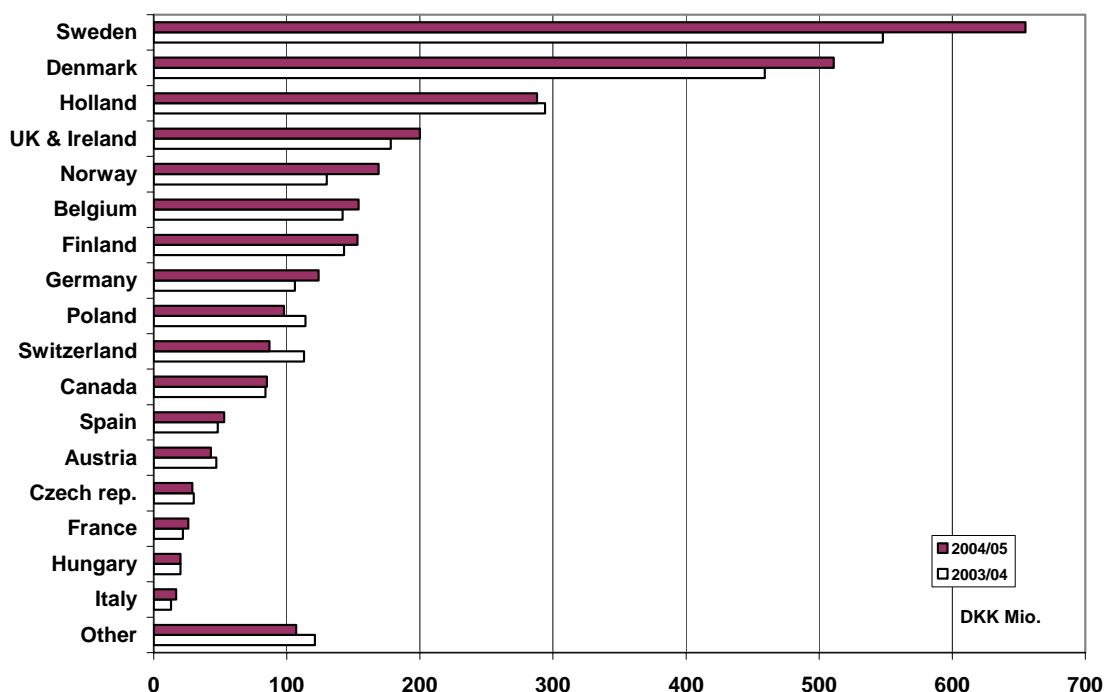
A combined growth rate of 22% for the other own brands was the result of growth in both the near markets and new ones.

External brands are being reduced in our own stores in order to promote the Group's own brands and improve the Group's total gross margin.

The revenue growth consists of DKK 300 million, or 19%, growth in wholesale revenue to DKK 1,907 million (from DKK 1,607 million) and a DKK 93 million, or 9%, fall in retail revenue to DKK 912 million (from DKK 1,005 million). In line with Group strategy, wholesale revenue as a percentage of consolidated revenue thus rose by 6 percentage points to reach 68%.

Sales take place through the Group's own sales subsidiaries in 18 countries plus exports to 27 other countries. The Group operates its own stores in 13 countries. Sales outside Denmark make up 82% of total sales. Revenues grew in the Groups' eight largest markets, except in the Netherlands.

Revenue by country



The Dutch market has traditionally been the Group's main market, but this market has weakened significantly in recent years. In July 2004, our Dutch subsidiary's management was replaced and the sales force reorganised. We expect a moderate improvement in performance in 2005/06.

The Group's seven Companys stores in Switzerland were transferred to the previous regional manager on 1 October 2004. Performance has been good since then.

Performance was unsatisfactory in Poland, which is solely a retail market. As a result, a number of organisational changes and replacements have been made. In continuation of these changes, a new price and marketing strategy has been prepared for the market, and further adjustments of the store portfolio will be made in 2005/06. Performance in the current financial year is in line with the plans laid.

Gross profit

Gross profit was DKK 1,585 million, equivalent to a gross margin of 56.2%, compared with DKK 1,291 million (49.5%, and 51.6% adjusted for one-off effects of DKK 1,349 million). Out of the total improvement by 4.6 percentage points, 3.2%, or DKK 90 million, was attributable to improved performance in all Group sales channels.

Most of the improvement was attributable to own concept stores and was the result of more commercial products, better sourcing, better sales through the stores at full price and a resulting drop in discounts through clearance sales and lower post-season inventory writedowns. The effects of these improvements were significantly larger and materialised much earlier than anticipated at the beginning of the year.

Lower sourcing prices in USD-based currencies lifted the gross margin by 2.4 percentage points, whilst the abolishment of Chinese export quotas on 1 January 2005 lifted the margin by 0.5 percentage point. On the other hand, the increase in wholesale revenue as a percentage of total revenue reduced the Group's average gross margin by 1.5 percentage points.

Selling, distribution and administrative expenses

Capacity costs totalled DKK 1,447 million (DKK 1,446 million net of one-off effects). These costs include increased marketing costs, increased costs as a result of new stores and conversions from wholesale operations to concessions, and a DKK 99 million reduction as a result of store closures.

Administrative costs fell by DKK 46 million, partly as a consequence of a DKK 20 million writedown of goodwill in respect of Saint Tropez in 2003/04 and the recognition of substantial severance payments to members of the Executive Board, functional directors and other management staff.

Costs excluding amortisation and writedown of goodwill consequently fell by three percentage points and accounted for 49.6% of revenue for 2004/05, compared with 52.6% in 2003/04.

Other operating income and costs

The Group's other operating income totalled DKK 24 million (DKK 11 million) and was attributable to licence income, entrance fees from franchisees, sales of fixed assets, etc. This amount also includes a DKK 3.9 million gain on the sale of Sir of Sweden.

Special items

Special items include DKK 29 million in extraordinary income from the closing of a total of 60 unprofitable stores, now largely complete; loss on the project was lower than expected. The reversal from these provisions corresponds to the forecasts made in our Q3 2004/05 interim report.

Net financials

Net financials amounted to an expense of DKK 24 million (DKK 19 million). As a result of the reduction of interest-bearing debt, net interest expenses fell by DKK 3 million to DKK 17 million. The DKK 8 million increase in other financial expenses was primarily attributable to the settlement of DKK 5 million in excess forward contracts in respect of Polish Zloty.

Income tax

Tax on the profit for the year was an income of DKK 14 million (an expense of DKK 15 million).

Tax payable is calculated to be DKK 40 million and consists of tax payments in countries where the Group either has no tax assets or cannot offset such assets in full against the profit for the year. Tax paid in 2004/05 totalled DKK 8 million.

In connection with the preparation of this Annual Report, management reassessed the Group's tax assets. As a logical consequence of our favourable performance in 2004/05 and the forecasts for the years ahead, the writedown of the Group's gross tax assets has been reduced and tax assets thus increased by DKK 55 million at 30 June 2005.

Had this reassessment not been made, the effective tax cost for the year would have been 31% of pre-tax profit, equivalent to the corporate income tax rate on the Group's principal markets.

Profit for the year and profit allocation

Operating profit before special items rose by 5.4%, or DKK 201 million, to reach DKK 153 million in 2004/05 compared with a decline by 1.9% to a loss of DKK 49 million net of one-off effects and accounting estimate changes in 2003/04.

Net profit was DKK 172 million (a loss of DKK 309 million).

Earnings per share amounted to DKK 9.50 (a loss of DKK 17.10 per share). The earnings per share figure has been adjusted for treasury shares and the diluting effect of outstanding share incentive programmes.

The Board of Directors proposes that no dividend be paid in respect of the financial year ended 30 June 2005, and that the loss for the year be allocated to retained earnings.

Wholesale operation

Wholesale revenue rose in all countries except for a few countries in the Export Division. OTB¹ revenue accounted for approximately 17% of wholesale revenue and thus fell by 5% year on year, whilst revenue from the pre-order business rose by 25%. Wholesale revenue accounted for 68% of consolidated revenue. This represents an improvement of six percentage points over 2003/04.

The Wholesale Division's segment profit was DKK 328 million (DKK 166 million). The increase was partly due to the fact that profit in 2003/04 was reduced by DKK 135 million, a downturn attributable to price reductions and the one-off effect of accounting-estimate changes.

The segment profit margin rose from 10.3% in 2003/04 to 17.2% in 2004/05, but was still lower than in 2002/03, when it was 23.1%. A number of initiatives were taken in 2004/05 to boost earnings, and they are expected to increase revenue and earnings in the years ahead.

The key areas of focus for the wholesale business continue to be efficiency improvements in sales, focused sales efforts for the original brands – especially in the Nordic markets and the Benelux – continuing international expansion for other brands, improvement of revenue from orders received and a further development of the brand-specific sales organisation. The initiatives taken to enhance the exploitation of the order volume began showing results as early as in 2004/05.

The increase in marketing activities is covered by wholesale operations. Total marketing activities were increased in 2004/05 and a further increase is scheduled for 2005/06. Other than this, the original brands are not expected to raise the cost level of the wholesale operation. Thus, the level of activity can be increased considerably without a corresponding increase in cost level.

The total number of retailers is about 9,173 (roughly 9,000).

¹ Open-to-Buy = Products with short delivery times available for in-season purchase

Own concept stores

Retail revenue was down 11% to DKK 774 million (DKK 868 million). Revenue was down by DKK 137 million due to net store closures. Same-store sales rose by 4.3% (organic sales growth). Same-store sales of the original brands were unchanged from the previous years, which was attributable to poor performance in Poland.

The segment profit was DKK 47 million (6.1%), representing an improvement of DKK 118 million. Had the estimates for inventory valuation and the outlet strategy remained unchanged, the segment loss for 2003/04 would have been DKK 50 million (minus 5.8%).

The earnings level for the retail operation remained unsatisfactory, although the sizeable improvement shows that the negative trend of the past several years has now been reversed. The earnings level reflected better sales through the stores, 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 closure of some of the Group's unprofitable stores, which has now been completed.

As stated in the Annual Report for 2003/04, a total of 60 unprofitable stores were scheduled for closure: 50 stores had been closed by 30 June 2005, and the remainder will close in the autumn and winter of the 2005/06 financial year. In addition, 20 stores are as planned converted into franchises.

The store closures involved lower losses than anticipated, primarily due to better operating performance of the stores during the period up until closure and the receipt of key money for a number of the store leases.

On 30 June 2005, the number of own stores was 207; this is expected to remain unchanged by the end of 2005/06, with the number of new stores planned equivalent to the number of stores scheduled for closure. Most of the new stores will be Peak Performance stores.

Own outlet stores

The Outlet Division's revenue totalled DKK 138 million (DKK 137 million) and the segment profit was DKK 12 million, equivalent to a profit margin of 8.7% compared to a loss of DKK 7 million and a profit margin of minus 5.1% in 2003/04. Same-store sales were at the same level as in 2003/04.

IC Companys' business model generates a number of surplus products, which are sold via outlets and thus are an important element of the strategy. Therefore, it was highly satisfactory that earnings in the outlet operation improved compared with previous years' substantial losses. This was achieved through improved product flows and a lower inflow of surplus products.

The performance of the outlet stores is expected to improve further when a new sorting and picking inventory facility for surplus products is brought into use. We continue to focus on reducing the inflow of new surplus products, and this operation is consequently not expected to grow.

BALANCE SHEET AND LIQUIDITY

Fixed assets

The carrying amount of intangible assets was DKK 177 million at 30 June 2005 (DKK 241 million). The reduction was due to amortisation of goodwill and leasehold rights.

The carrying amount of property, plant and equipment was DKK 192 million at 30 June 2005 (DKK 176 million). The increase was primarily attributable to the fact that in Q4 IC Companys made a commitment to reacquire Danstruplund, the former head office of Carli Gry International A/S. The accounting effect of this is that the lease is changed into a finance lease and is consequently recognised in the balance sheet of the Parent Company.

The property has not been used since the 2001 merger. The reversal of the provisions for losses relating to the original operating lease has been recognised under special items. On the other hand, a writedown has

been taken on the property to an expected lower net realisable value. IC Companys intends to sell the property when a satisfactory price can be obtained; until then, the property will be used for clearance sales and leased for commercial purposes, if a lessor can be found.

To this should be added partial assignment of the Group's headquarters in London, which are held under a finance lease. The lessor has taken over a warehouse area which IC Companys has not used for several years. The partial assignment of the area comprised by the lease resulted in an adjustment of the carrying amount of the property as well as the debt under the lease. As a result, an income of DKK 14 million was recognised, also under financial items.

Deferred tax assets

Consolidated gross tax assets amounted to DKK 322 million at 30 June 2005 (DKK 344 million). Recognised net assets were increased by DKK 55 million to DKK 158 million at 30 June 2005. Thus, writedowns of the assets had fallen to DKK 165 million at 30 June 2005 from DKK 241 million at 30 June 2004. The writedowns solely concern tax losses carried forward.

Tax assets are written down if

- at the balance sheet date, there is uncertainty with respect to the value of the tax asset, for instance as a result of an ongoing tax audit or pending tax litigation;
- the management believes that it is not sufficiently likely that the operation of an individual tax object (company) or a group of jointly taxed companies can generate a profit within the foreseeable future (typically three to five years); or
- the expected taxable income is insufficient for the tax assets to be exploited in full.

Taxable income estimates for the individual companies are based on the local tax rules in force, the budget approved by the Board of Directors for 2005/06 and the Group's financial targets. Uncertainty regarding future performance is reflected in the assessment of the tax assets.

In connection with the preparation of the Annual Report, management reassessed the Group's tax assets. As a logical consequence of our favourable performance in 2004/05 and the forecasts for the years ahead, the writedown of the Group's gross tax assets has been reduced, and the tax assets were thus increased by DKK 55 million at 30 June 2005.

Inventories

Inventories were reduced by DKK 37 million to DKK 351 million at 30 June 2005 (DKK 388 million). The decrease was due both to a reduction of old surplus products and of new products for delivery in July and August, and the current inventories in the Group's stores fell compared with the level last year.

The method of calculating inventory writedowns was unchanged from 2003/04 and thus covers a writedown to the expected realisable value through the Group's outlets. As stated above, the earnings level in the outlets improved substantially during the past financial year.

Trade receivables

Trade receivables fell by DKK 15 million to reach DKK 186 million at 30 June 2005, down from DKK 201 million at 30 June 2004. The decrease in trade receivables was achieved by maintaining the reduction of the Group's average credit time achieved during the year. The provision for losses covers the part of the Group's receivables that are subject to risks of losses.

Equity

The Group's assets excluding cash and cash equivalents were retained at DKK 1,280 million (1,299 million), whilst equity grew by DKK 205 million to reach DKK 495 million. Thus, the Group's equity ratio has been increased to a satisfactory level of 35%.

Equity was increased by the year's profit of DKK 172 million. Equity was also up DKK 21 million due to an increase in the reserve for positive fair value of derivative financial instruments used to hedge expected future transactions and up an additional DKK 8 million as a result of the share incentive plans exercised during the year.

Other provisions

Other provisions were reduced by DKK 67 million during the year. The provision for rent in unprofitable stores was reduced by DKK 41 million, of which only DKK 11 million was used and DKK 30 million was reversed as extraordinary income recognised under special items. Rent provisions relate to Danstruplund and were reduced by DKK 9 million as a result of the year's costs for vacant premises and, as described above, a reversal of a loss provision on the lease by DKK 9 million. The restructuring provision regarding Tiger of Sweden contained a provision for potential losses in connection with the discontinuation of Tiger of Sweden's own production in Hungary. This work has been completed as scheduled, and only the final liquidation of the production company remains.

Cash flow and capital investments

Consolidated cash flows from operating activities grew by DKK 148 million to reach DKK 278 million (DKK 130 million), the rise was attributable to the increase in operating profit and an improvement of working capital.

The cash flow from investing activities was DKK 83 million (DKK 77 million). Operational investments totalling DKK 79 million were made during the year: DKK 10 million in the development of a common IT platform and DKK 69 million in the Group's franchise stores and own concept stores. The investments thus correspond to the year's depreciation charges, which totalled DKK 81 million. In addition, DKK 7 million was paid as an adjustment of the purchase price of a prior-year acquisition.

Free cash flows from operating and investing activities totalled DKK 195 million, which was DKK 142 million more than in 2003/04. The free cash flows in 2004/05 amounted to 113% of the profit for the year.

The cash flow from financing activities was an outflow of DKK 3 million composed of repayment of long-term debt and proceeds from employee shares and the exercise of warrants under share incentive plans.

Interest-bearing debt

Consolidated debt to financial institutions was reduced by DKK 197 million during the financial year to reach DKK 259 million at 30 June 2005 (DKK 456 million).

The lease debt rose by DKK 14 million as a result of IC Companys' commitment to buy Danstruplund and was reduced as a result of a reduction of the Group's headquarters in London held under a finance lease.

The Group's available committed credits amounted to DKK 1,015 million at 30 June 2005 (DKK 1,053 million). Out of this amount, a total of DKK 259 million had been drawn at 30 June 2005, and DKK 123 million had been used for letters of credit and similar purposes. Thus, the Group's available unused credits totalled DKK 633 million at 30 June 2005 (DKK 476 million).

ORGANISATIONAL STRUCTURE

The health of the organisation can be measured in many different ways. IC Companys has not yet measured employee satisfaction, but in recent years we have experienced a growing support of both business and social events throughout the Group. Job satisfaction, energy and motivation are back in our day-to-day operations.

In relation to recruitment, IC Companys is seeing a significant increase in the interest in the Group. IC Companys is receiving a growing number of unsolicited job applications, which supports the view that IC Companys is increasingly being seen as an attractive place to work.

At management level, the Executive Board held a strategic conference for IC Companys' Board of Directors, business units and joint functions in May 2005. The future strategy and organisational structure were discussed at the conference and have now been clearly and unambiguously defined and enjoy widespread organisational support.

Converted into full-time equivalents, the Group had 1,926 employees at 30 June 2005, compared with 2,026 employees a year earlier.

Incentive-based compensation

The incentive-based compensation plans for members of the Executive Board and other executives include cash bonuses and share incentive plans. In accordance with IC Companys' corporate governance guidelines, members of the Board of Directors are not included in the incentive plans.

All employees are entitled to participate in employee share offers made by IC Companys. Under the latest employee share plan, 736 employees subscribed for a total of 163,312 shares. The fair value of that plan was DKK 28.5 million on the date of grant. The shares must be held in blocked accounts until the end of 2010.

The members of the Executive Board and a number of other executives are included in a bonus plan whose payments are based on financial results achieved in the employee's own area of responsibility. The cash bonus is typically a maximum of 20% of the annual salary, 50% of which is payable if the targets within each executive's area of responsibility are achieved, and the other half if the targets are exceeded. Thus the bonus plan is based on profits achieved in the individual financial year, which helps ensure that the budget approved by the Board of Directors is adhered to.

In April 2005, the members of the Executive Board were granted options under a new option plan involving a total of 200,000 options, each of which entitle the holder to buy one share. The plan will run for five years and is divided equally between Henrik Theilbjørn and Mikkel Vendelin Olesen. The purpose of the plan is to ensure that the interests of the members of the Executive Board coincide with those of the shareholders, and to help ensure that the Executive Board focuses on increasing value generation in IC Companys. The fair value of the plan was DKK 22.9 million at 30 June 2005. Details of the plan are provided in Note 2 to the financial statements.

In April 2005, executives and key persons in IC Companys were granted inclusion in a warrant plan comprising a total of 365,000 warrants, each entitling the holder to subscribe for one share. The plan comprises 45 employees and will run for three years. The purpose of the plan is to ensure that the interests of this group of employees coincide with those of the shareholders, and to help ensure that these employees also focus on increasing value generation in IC Companys. The fair value of the plan was DKK 41.5 million at 30 June 2005. Details of the plan are provided in Note 2 to the financial statements.

In addition, the Group has option and warrant plans granted in prior years. There were 17,900 options outstanding under these plans at 30 June 2005, options which must be exercised by 31 January 2006. The fair value of these options amounted to DKK 3.4 million at 30 June 2005. In addition, outstanding at 30 June 2005 were 210,200 warrants which must be exercised by 31 October 2005. The fair value of these options was DKK 44.3 million at 30 June 2005. For further details on the plans, please see Note 2 to the financial statements.

Executive Board member remuneration

The remuneration paid to the members of the Executive Board consists of a cash salary, a 10% pension, an annual bonus, a company car, option and warrant plans, and the usual other benefits. The cash salaries paid to the members of the Executive Board total DKK 4.8 million per year.

Both members of the Executive Board received a full bonus, equivalent to 20% of their annual salaries, for the results achieved in 2004/05.

Henrik Theilbjørn exercised 7,600 warrants from the plan granted in 2002 during the 2004/05 financial year; their value at the date of exercise was DKK 0.1 million. Mikkel Vendelin Olesen exercised 5,200 warrants

from the plan granted in 2002 during the 2004/05 financial year; their value on the date of exercise was DKK 0.1 million.

If a member of the Executive Board is terminated by the Company before reaching pensionable age, the Company must pay his salary during the period of notice, which is 12 months, as well as salary for a further 24 months, against which any new salary may be offset.

EVENTS AFTER THE BALANCE SHEET DATE

On 10 June 2005, the EU and China signed a memorandum of understanding in which China undertakes to limit the increase in its exports to the EU of certain categories of textiles. More specifically, the memorandum of understanding concerns ten categories of textiles, including knitwear, trousers and T-shirts.

In September 2005, the EU and China agreed on easing the terms of the memorandum of understanding of 10 June, among other things by using part of the 2006 quota in 2005.

IC Companys has more than 20 years of experience with China as a production country, and we expect that we can continue to source a significant share of our products from China in the years ahead.

As a result, IC Companys has initiated measures to limit the uncertainty and the increase in costs expected as a result of the continuing import restrictions. This involves, among other things, relocation of some of our production to other countries in Asia; the financial consequences of this move are included in our forecasts for the 2005/06 financial year.

Apart from the above-mentioned events and developments otherwise described in this Annual Report, the management is not aware of any events subsequent to 30 June 2005 expected to have a material impact on the Group's financial position or outlook.

CORPORATE GOVERNANCE

The Board of Directors is committed to promoting the long-term interests of the Company, and thus of all shareholders.

This work is handled at eight planned meetings of the Board of Directors per year and through continuing contact between the chairmanship and the Executive Board. Sixteen Board meetings were held extraordinarily in 2004/05.

In the past financial year, the Board of Directors revised the guidelines for the Group's management and in that connection considered the Group's relationship with its stakeholders and the community and the Board of Directors' and Executive Board's work and relationship with each other.

These guidelines are intended as the working base for IC Companys' management when defining procedures and principles with respect to, *inter alia*,

- the Group's relationship with its stakeholders, including the public and the press;
- the Group's external communication, including its Investor Relations policy;
- the Board of Directors' work, including rules of procedure for the Board of Directors;
- the Executive Board's work, including rules of procedure for the Executive Board;
- the relationship between the Board of Directors and the Executive Board; and
- incentive plans for the Company's management and employees.

These Guidelines are intended to ensure the efficient, appropriate, adequate and viable management of IC Companys. The Guidelines have been prepared within the framework defined by IC Companys' articles of association, mission, corporate vision and corporate values, as well as applicable legislation and rules for Danish listed companies.

Furthermore, the Board of Directors has reviewed the "Code of conduct" of IC Companys and its wholly-owned subsidiaries, which concerns our standards regarding human rights and ethical conduct in connection with the operation of our business. A provision has been added: as from 2006, fur will no longer be used in the Group's products.

The guidelines can be downloaded from www.iccompanys.com under "About IC Companys".

RISK MANAGEMENT

The Group is exposed to risks of a commercial as well as a financial nature that are normal for the clothing industry. Below is a description of the most important risk factors and the steps the Group has taken to reduce them.

COMMERCIAL RISK FACTORS

Fashion risk

The Group's brands all have a high fashion content. As collections change a minimum of four times a year and have a long lead time, there is a risk that the products will not match consumer tastes.

Each brand works with commercial and facts-based development of its collections with a view to reducing this risk. At Group level, there is an inherent high level of diversification as a result of the number of independent brands.

Suppliers

The Group's products are solely produced by third parties, which ensures a high level of flexibility. Approximately 60% of production takes place in Asia, and approximately 40% in Europe. No supplier accounts for more than 10% of total production.

The Group has three independent production offices in China, Romania and Bangladesh which compete for production orders from the brands, which means that production can be moved to wherever the combination of price and quality is best.

Inventory risk

Sales through IC Companys' own stores and the need to carry stock service products and supplementary products for retailers involves a risk that products, which, during the year, have been allocated for sale through the Group's own stores or purchased to meet retailers' needs for supplementary shipments during the season, remain unsold at the end of the year.

The Group has a network of outlets for the ongoing sale of such stocks. Capacity in these outlets can be adjusted to some extent. Products that cannot be sold through the Group's own outlets are sold to brokers for resale outside the Group's established markets.

Debtor risk (retailer risk)

The Group's customers are credit rated according to the Group debtor policy before a customer relationship commences and subsequently on a regular basis. Nevertheless, losses do occur. Individual trade receivables are not normally insured as the Management believes that the costs of doing so would be too high compared with the realistic loss risk.

The credit times vary in line with individual market customs.

Bad debts have not exceeded 1% of revenue in recent years.

Dependence on IT systems

The Group is highly dependent on reliable IT systems for day-to-day operations, including to ensure control of product sourcing and to increase efficiency in the Group's supply chain.

The Group is continuously working to hedge these risks. During the past year, the Group's IT strategy and IT security policy were updated.

FINANCIAL RISKS

The Group monitors and manages all its financial risks through the Parent Company's Treasury Department. The Group's financial risks consist of exchange rate risks, interest rate risks and liquidity risks, including counterparty risks. The use of financial instruments and the related risk limits are managed through the Group treasury policy.

The Group uses financial instruments solely to hedge risks. All financial transactions are based on commercial activities, and IC Companys does not enter into speculative transactions.

Foreign exchange risks

The Group's commercial transactions expose the Group to significant foreign exchange risks, which arise through purchases and sales of products in foreign currency. A significant part of Group purchases are made in the Far East and are denominated in US dollars or US-dollar-related currencies, whereas most revenues and capacity costs are denominated in the Euro, Danish kroner or other European currencies. Thus, there is only a limited natural currency match in the Group's transactions.

The Group basically hedges all material commercial risks. As a result, the net cash flow in foreign currency is normally hedged 12 months into the future, except for the net position in Euros, which is not hedged.

The Group primarily uses forward currency contracts and options to hedge the exchange-rate exposure.

Net assets (equity stakes) denominated in foreign currency are generally not hedged.

Interest rate risks

The Group's interest-rate risks are related to the Group's interest-bearing assets and liabilities and off-balance-sheet items.

The Group's interest-rate risks are managed by obtaining floating-rate and fixed-rate loans and/or by financial instruments matching the interest rate risk on the underlying investment.

Liquidity risks

The Group's cash resources and capital structure are planned so as to always ensure and support Group operations as well as planned investments.

See Note 29 to the financial statements for additional information on the Group's financial risks at 30 June 2005.

STATEMENT BY THE MANAGEMENT

The Board of Directors and the Executive Board have today presented the Annual Report of IC Companys A/S.

The Annual Report is presented in accordance with the Danish Financial Statements Act, Danish accounting standards and other rules imposed by the Copenhagen Stock Exchange on the presentation of financial statements by Danish listed companies. We consider the accounting policies to be appropriate to the effect that the Annual Report gives a true and fair view of the Group's and the Parent Company's assets and liabilities, financial position, results of operations and cash flows.

We recommend that the Annual Report be adopted by the shareholders at the annual general meeting.

Copenhagen, 20 September 2005

Executive Board:

HENRIK THEILBJØRN
President & CEO

MIKKEL V. OLESEN
Chief Operating Officer

Board of Directors:

NIELS ERIK MARTINSEN
Chairman

OLE WENGEL
Deputy Chairman

ANDERS COLDING FRIIS

HENRIK HEIDEBY

NIELS HERMANSEN

LEIF JUUL JØRGENSEN

AUDITORS' REPORT

TO THE SHAREHOLDERS OF IC COMPANYS A/S

We have audited the Annual Report of IC Companys A/S for the financial year ended 30 June 2005 presented in accordance with the Danish Financial Statements Act and the financial reporting requirements of the Copenhagen Stock Exchange. The Annual Report is the responsibility of the Company's Management. Our responsibility is to express an opinion on the Annual Report based on our audit.

Basis of opinion

We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the Annual Report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Annual Report. An audit also includes assessing the accounting policies used and significant estimates made by the Management, as well as evaluating the overall Annual Report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 30 June 2005 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 1 July 2004 – 30 June 2005 in accordance with the Danish Financial Statements Act and Danish Accounting Standards.

Copenhagen, 20 September 2005

DELOITTE
Statsautoriseret Revisionsaktieselskab

ERNST & YOUNG
Statsautoriseret Revisionsaktieselskab

KIRSTEN AASKOV MIKKELSEN
State Authorised Public Accountant

LEIF SHERMER LARSEN
State Authorised Public Accountant

JESPER JØRGENSEN
State Authorised Public Accountant

ROBERT CHRISTENSEN
State Authorised Public Accountant

ACCOUNTING POLICIES

The Annual Report of IC Companys A/S (the “Company”) and its subsidiaries (together the “Group”) has been prepared in accordance with the Danish financial statements legislation for class D companies and the requirements of the Copenhagen Stock Exchange to the presentation of financial statements by listed companies, including current Danish accounting standards. The accounting policies are unchanged from the 2003/04 financial year.

RECOGNITION AND MEASUREMENT IN GENERAL

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Group and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when they are probable and can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below in respect of each individual item.

Certain financial assets and liabilities are measured at amortised cost, implying the recognition of a constant effective rate of interest to maturity. Amortised cost is stated as original cost less any principal payments and plus or minus the accumulated amortisation of any difference between cost and the nominal amount.

Recognition and measurement take into consideration gains, losses and risks that arise before the time of presentation of the Annual Report and that confirm or invalidate matters existing at the balance sheet date.

Income is recognised in the income statement when earned. This includes the recognition of value adjustments of financial assets and liabilities measured at fair value or amortised cost. Also recognised are costs incurred to achieve the year’s revenues, including amortisation, depreciation, impairment losses and provisions as well as reversals made to reflect changed accounting estimates concerning amounts previously recognised in the income statement.

BASIS OF CONSOLIDATION

The consolidated financial statements consolidate the financial statements of IC Companys A/S (the “Parent Company”) and subsidiaries in which the Company’s voting rights directly or indirectly exceed 50%, or in which the Company has a controlling interest in any other way.

The consolidated financial statements are prepared on the basis of the annual financial statements of the Company and the individual subsidiaries by combining items of a like nature. Equity interests, intercompany transactions, intercompany balances, unrealised intercompany gains on inventories and dividends are eliminated.

Investments in subsidiaries by the Parent Company and its subsidiaries are offset by the proportional share of the fair value of the net assets of the subsidiary at the time of acquisition.

Newly acquired or newly established companies are recognised in the consolidated financial statements from the date of acquisition.

Acquisitions of new subsidiaries are accounted for using the purchase method, under which identifiable assets and liabilities are measured at fair value on the date of acquisition. The determination of the fair values of the acquired net assets includes provisions arising in the acquired enterprise in connection with the acquisition, including the costs of implementing decided and announced restructuring plans. The tax value of revaluations is taken into account. If the purchase price exceeds the fair value of the net assets of the enterprise acquired, the remaining positive differences (goodwill) are recognised as intangible assets and amor-

tised systematically through the income statement on the basis of an individual assessment of the useful economic lives of the assets, not to exceed 10 years.

The acquisition value of goodwill is adjusted for any changes to the purchase consideration after the acquisition. The cost price of an enterprise includes the purchase consideration plus costs directly related to the acquisition.

The line items of subsidiaries' financial statements are fully consolidated in the Group's financial statements. The proportionate shares of the results and equity of subsidiaries attributable to minority interests are adjusted annually and recognised separately in the income statement and the balance sheet. If minority interests represent an asset, they are written down to a lower fair value, if applicable.

FOREIGN CURRENCY TRANSLATION

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rate ruling at the transaction date.

Exchange differences arising between the exchange rate at the transaction date and the date of payment are recognised in the income statement under financial income or expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rates ruling at the balance sheet date. The difference between the exchange rate ruling at the balance sheet date and the exchange rate at the date when the receivable or payable arose or was recorded in the most recent annual financial statements is recognised in the income statement under financial income or expenses. Non-monetary assets denominated in foreign currencies on acquisition are not subsequently translated.

All the Company's subsidiaries are considered to be independent units. The balances of foreign subsidiaries are translated to the exchange rate ruling at the balance sheet date, while income statements are translated at average exchange rates for the year. Exchange differences arising on the translation of foreign subsidiaries' opening equity using the exchange rates ruling at the balance sheet date as well as on the translation of the income statements using average exchange rates at the balance sheet date are taken directly to equity. Exchange adjustments of receivables and subordinated loan capital in foreign subsidiaries that are considered to be part of the overall investment in the subsidiary are taken directly to equity.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivative financial instruments are measured on initial recognition in the balance sheet at cost and subsequently remeasured at their fair value. Positive and negative fair values of derivatives are recognised under other receivables and other payables, respectively, as realised gains on financial contracts and unrealised losses on financial contracts, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of expected future transactions are recognised directly in equity. Income and expenses relating to such hedge transactions are transferred from equity on realisation of the hedged item and recognised in the same line item as the hedged item.

For derivative financial instruments not qualifying as hedges, changes in the fair value are recognised in the income statement under financial income and expenses.

INCOME STATEMENT

Revenue

Revenue from the sale of goods is recognised in the income statement if delivery and transfer of risk to the buyer have taken place before year-end and if the income can be reliably measured and is expected to be received. Revenue is measured excluding VAT, indirect taxes and discounts related to sales.

Cost of sales

Cost of sales includes direct costs incurred to obtain the revenue for the year.

Selling and distribution costs

Selling and distribution costs include costs in the form of salaries to sales and distribution staff, store rent, marketing costs and collection-related costs, automobile operation, depreciation of property, plant and equipment and intangible assets relating to selling and distribution activities. The expenses are recognised when incurred.

Administrative expenses

Administrative expenses include expenses for the Management and the design and administrative staff, office expenses and other expenses, including depreciation of property, plant and equipment, amortisation of intangible assets relating to administrative activities as well as amortisation of goodwill. The expenses are recognised when incurred.

Other operating income/costs

Other operating income and costs comprise items of a secondary nature relative to the principal activities, including gains and losses on the sale of intangible assets and property, plant and equipment. In the Parent Company, other operating income/costs primarily comprise management fees from subsidiaries to the Parent Company for their share of the Group's overheads.

Special items

Includes material amounts of a one-off nature that are not directly attributable to normal activities, including special impairment charges and provisions and the reversal thereof.

Financial income and expenses

Financial income and expenses include interest, realised and unrealised exchange differences, fair value adjustments of derivative financial statements which do not qualify for hedge accounting and supplements, deductions and allowances relating to the payment of income tax.

Income from investments in subsidiaries

The income statement of the Parent Company includes the proportionate share of the pre-tax profit or loss of each individual subsidiary after elimination of intercompany gains and losses. The share of the tax in subsidiaries is recognised under tax on profit/(loss) from ordinary activities.

Income tax

Tax for the year, consisting of the year's current tax and movements in deferred tax, is recognised in the income statement as regards the amount that can be attributed to the profit/loss for the year and posted directly in equity as regards the amount that can be attributed to movements taken directly to equity.

The Parent Company is taxed jointly with a number of wholly owned Danish and foreign subsidiaries. The current income tax liability is allocated among the companies of the Danish tax pool in proportion to their taxable income (full allocation subject to reimbursement in respect of tax losses). The jointly taxed companies pay tax under the Danish on-account tax scheme.

Deferred tax is calculated using the current tax rules and tax rates on temporary differences between carrying amounts and tax values. Deferred tax assets, including the tax value of tax losses carried forward, are recognised at the value it is expected can be used to determine future taxable income and offset against deferred tax liabilities within the same legal entity and jurisdiction. If deferred tax is an asset, it is included in investments based on an assessment of the potential of future realisation.

Deferred tax regarding investments in subsidiaries is not recognised as the investments are planned to be maintained for a number of years and, according to applicable tax rules, the related tax liability ceases three years after the time of acquisition of the investment.

BALANCE SHEET

Intangible assets and property, plant and equipment

Fixed assets are measured at historic cost less accumulated amortisation, depreciation and impairment losses.

Cost encompasses the purchase price and costs directly associated with the purchase until the time when the asset is ready to be brought into use. In the case of assets produced in-house, cost comprises direct and indirect costs for materials, components, third-party suppliers and labour.

The cost of finance leases is determined as the lower of the fair value and the present value of future lease payments. The present value is determined by discounting the leasing contract at the interest rate implicit in the lease.

Payments to take over leases (key money) are classified as leasehold rights.

The difference between the cost price and the expected residual value is amortised or depreciated on a straight-line basis over the expected useful economic lives of the assets. The amortisation and depreciation period is determined on the basis of the Management's experience in the Group's business area, and the Management believes this to be the best estimate of the economic lives of the assets, which are as follows:

Goodwill	5-10 years
Leasehold rights	up to 10 years
Software and IT development	3-5 years
Leasehold improvements	up to 10 years
Buildings	25-50 years
Equipment and furniture	3-5 years

Minor assets are recognised in the income statement under ordinary operations.

Gains and losses on the sale of fixed assets are stated as the difference between the selling price less selling expenses and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement under other operating income or other operating expenses.

Impairment

The carrying amount of intangible assets and property, plant and equipment is assessed annually in the event of indications of impairment. If impairment is deemed to have occurred, the carrying amount is written down to the higher of the present value of expected future revenue and an estimated realisable value. In the determination of the present value, a weighted cost of capital at market level is used.

Investments in subsidiaries

Investments in subsidiaries are measured according to the equity method determined in accordance with the Parent Company's accounting policies less or plus any unrealised intercompany gains and losses. The Parent Company recognises the proportionate share of the results of subsidiaries in its income statement. The proportionate share of tax in subsidiaries is included in the line item "Income tax".

Investments in foreign subsidiaries are translated into Danish kroner at the exchange rates ruling at the balance sheet date. In the translation of the results of subsidiaries, average exchange rates for the period are used. Translation differences between the beginning of the year and the end of the year and translation differences relating to the translation of the income statement from average exchange rates to year-end rates are taken to equity.

Subsidiaries with a negative net asset value are recognised at DKK nil, and any receivable amount from these enterprises is written down, to the extent it is deemed to be irrecoverable, by the Parent Company's share of the negative net asset value.

Net revaluation of investments in subsidiaries is transferred to the reserve for net revaluation according to the equity method under equity to the extent that the carrying amount exceeds the cost.

Other investments

Securities are measured at their fair value on the balance sheet date.

Other investments are measured at cost or fair value at the balance sheet date, if this is lower for reasons that are not considered to be temporary.

Inventories

Stocks are measured at cost using the FIFO method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables includes the purchase price and direct costs to take delivery of the products.

The cost of finished products includes the cost of raw materials, consumables, external production costs and costs to take delivery of the products, including transportation costs and quotas.

The net realisable value of finished products is determined as the expected selling price less costs incurred to execute the sale.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Prepayments

Prepayments recognised under assets comprise costs incurred relating to the following financial year, including collection samples, rent, insurance, etc.

Dividend

Proposed dividends are recognised as a liability at the time of adoption by the shareholders at the annual general meeting. Dividends expected to be paid in respect of the year are stated as a separate line item under equity.

Treasury shares

The acquisition and sale of treasury shares and dividends thereon are taken directly to equity under the line item "Retained earnings".

Provisions

Provisions are recognised when, as a consequence of a past event, the Group has a legal or otherwise concrete and actual obligation, and it is likely that the obligation will require an outflow of the Company's financial resources to redeem the obligation.

Other provisions include obligations relating to the restructuring of acquisitions and rent for premises that are being closed down. Provisions relating to acquisitions include provisions regarding the enterprise acquired decided at the time of acquisition, at the latest, and which are included in the calculation of the purchase consideration and, thus, in goodwill.

Financial liabilities

The capitalised lease liability under finance leases is recognised under financial liabilities.

Other debts

Other debts are measured at amortized cost.

Share-based incentive plans

The Executive Board and a number of other executives have been awarded share-based incentive plans.

Costs related to warrant-based incentive plans are recognised directly in equity. The obligation is covered by treasury shares.

Warrants are awarded free of any payment from the warrantee. The proceeds from the issue of shares in IC Companys A/S in connection with the exercise of warrants is recognised directly on equity.

All plans granted carry an exercise price that corresponds to the market price of the Company's shares at the time of establishment or grant. The cost or obligation is not recognised at the time of allocation, nor in connection with a subsequent value adjustment.

Pension plans

The Group primarily has defined contribution pension plans. Pension costs relating to defined contribution pension plans are recognised in the income statement in the year they relate to.

CASH FLOW STATEMENT

The cash flow statement shows the Group's cash flows for the year, broken down by operating, investing and financing activities, and the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow statement shows cash flow from operating activities indirectly based on the operating profit before special items.

The cash flow from operating activities is calculated as the Group's share of results adjusted for non-cash operating items, the cash effect of special items, provisions, financial items paid, movements in working capital and income tax paid.

The working capital comprises current assets excluding cash items or items attributable to the investing activity, less short-term debt excluding bank loans, mortgages and income tax payable.

The cash flow from investing activities includes payments regarding the purchase and sale of fixed assets and securities, including investments in companies.

The cash flow from financing activities includes payments to and from shareholders, mortgage loans raised and instalments thereon and other long-term liabilities not included in working capital.

The Group's cash and cash equivalents include cash at bank and in hand and net short-term bank debt.

SEGMENT INFORMATION

Segment information is reported by sales channel (primary segment) and geographic market (secondary segment). Segment information is reported in compliance with Group accounting policies and with the Group's internal reporting and financial management.

Fixed assets in a segment comprise fixed assets used directly in the operations of the segment, including intangible assets and property, plant and equipment.

Current assets in a segment comprise current assets used directly in the operations of the segment, including inventories, trade receivables, other receivables and prepayments.

Segment liabilities comprise liabilities attributable to the operation of the segment. As a result of the Group's centralised production and purchasing management, it is not possible to attribute trade payables to the segments.

INCOME STATEMENT

1 July - 30 June

Note	DKK thousand	GROUP		PARENT COMPANY	
		2004/05	2003/04	2004/05	2003/04
1	REVENUE	2,819,424	2,612,204	1,048,666	958,288
	Cost of sales	(1,233,855)	(1,320,758)	(887,931)	(935,502)
	GROSS PROFIT	1,585,569	1,291,446	160,735	22,786
2, 3	Selling and distribution costs	(930,495)	(922,752)	(99,349)	(98,925)
2, 3, 4	Administrative costs	(516,677)	(563,256)	(186,666)	(198,537)
5	Other operating income	24,092	10,609	52,112	62,160
6	Other operating costs	(9,720)	0	(960)	0
	OPERATING PROFIT/(LOSS) BEFORE SPECIAL ITEMS	152,769	(183,953)	(74,128)	(212,516)
3, 7	Special items	29,225	(91,000)	(15,000)	(15,000)
	OPERATING PROFIT	181,994	(274,953)	(89,128)	(227,516)
12	Income/(loss) from investments before tax	-	-	255,130	(68,247)
8	Net financial items	(23,976)	(18,560)	(7,984)	2,250
	PROFIT/(LOSS) BEFORE TAX	158,018	(293,513)	158,018	(293,513)
9	Income tax	14,463	(15,240)	14,463	(15,240)
	PROFIT/(LOSS) FOR THE YEAR	172,481	(308,753)	172,481	(308,753)
PROFIT ALLOCATION					
	Dividend			0	0
	Retained earnings			172,481	(308,753)
	PROFIT/(LOSS) FOR THE YEAR			172,481	(308,753)

BALANCE SHEET – ASSETS

As at 30 June

Note	DKK thousand	GROUP		PARENT COMPANY	
		2005	2004	2005	2004
	FIXED ASSETS				
	Goodwill	119,163	171,999	0	0
	Software and IT systems	29,584	28,222	29,260	28,213
	Trademark rights	280	315	280	315
	Leasehold rights	27,863	40,101	0	0
10, 11	Total intangible assets	176,890	240,637	29,540	28,528
	Land and buildings	39,672	25,360	20,387	0
	Leasehold improvements	93,545	90,427	21,235	16,611
	Equipment and furniture	59,168	60,038	11,482	9,862
10, 11	Total property, plant and equipment	192,385	175,825	53,104	26,473
12	Investments in Group enterprises	-	-	685,497	495,110
14	Receivables from Group enterprises	-	-	8,821	10,183
13	Shares	231	208	0	0
13, 14	Deposits, etc.	28,836	27,583	2,212	2,332
15	Deferred tax assets	168,392	108,721	81,504	30,635
	Total investments	197,459	136,512	778,034	538,260
	Total fixed assets	566,734	552,974	860,678	593,261
	CURRENT ASSETS				
16	Inventories	350,796	387,943	257,049	158,932
	Trade receivables	186,019	200,956	15,630	25,239
	Receivables from Group enterprises	-	-	291,360	363,248
	Income tax receivable	28,199	53,007	13,867	30,047
18	Other receivables	68,599	40,986	39,411	4,020
19	Prepayments	80,228	62,790	14,371	9,430
17	Total receivables	363,045	357,739	374,639	431,984
	Cash and cash equivalents	137,561	110,395	7,428	9,795
	Total current assets	851,402	856,077	639,116	600,711
	TOTAL ASSETS	1,418,136	1,409,051	1,499,794	1,193,972

BALANCE SHEET – EQUITY AND LIABILITIES

As at 30 June

Note	DKK thousand	GROUP		PARENT COMPANY	
		2005	2004	2005	2004
	EQUITY				
20	Share capital	185,898	183,517	185,898	183,517
	Share premium	30,658	30,658	30,658	30,658
	Reserve for derivative financial instruments	18,172	(2,915)	18,172	(2,915)
	Retained earnings	260,556	78,982	260,556	78,982
	Total equity	495,284	290,242	495,284	290,242
	PROVISIONS				
15	Deferred tax	10,584	5,890	0	0
21, 22	Other provisions	6,101	72,319	0	18,426
	Total provisions	16,685	78,209	0	18,426
	DEBT				
	Financial institutions	5,280	9,139	0	0
	Capitalised lease liability	51,196	39,636	41,510	0
23	Total long-term debt	56,476	48,775	41,510	0
24	Financial institutions	391,373	557,587	289,506	461,719
	Capitalised lease liability	3,120	612	2,457	0
	Trade payables	242,307	242,836	66,748	97,796
	Payables to Group enterprises	-	-	541,258	245,882
9	Income tax	35,476	21,826	0	0
25	Other debt	177,415	168,964	63,031	79,907
	Total short-term debt	849,691	991,825	963,000	885,304
	Total debt	906,167	1,040,600	1,004,510	885,304
	TOTAL EQUITY AND LIABILITIES	1,418,136	1,409,051	1,499,794	1,193,972

26 *Financial liabilities*
29-31 *Notes not referred to in the financial statements*

MOVEMENTS IN EQUITY

GROUP

DKK thousand	Share capital	Share premium	Reserve for derivative financial instruments	Retained earnings	Total equity
Equity as at 1 July 2003	183,517	30,658	(4,592)	390,068	599,651
Profit/(loss) for the year				(308,753)	(308,753)
Currency translation of subsidiaries				(1,524)	(1,524)
Tax value of discount on employee share plans				(809)	(809)
Net value adjustment of derivative financial instruments after tax			1,677		1,677
Equity as at 30 June 2004	183,517	30,658	(2,915)	78,982	290,242
Profit/(loss) for the year				172,481	172,481
Issue of share based payment plans	2,381			2,288	4,669
Currency translation of subsidiaries				(1,033)	(1,033)
Sale of treasury shares due to exercise of stock options by employees				3,738	3,738
Tax value of discount on share based payment plans				4,100	4,100
Net value adjustment of derivative financial instruments after tax			21,087		21,087
Equity as at 30 June 2005	185,898	30,658	18,172	260,556	495,284

GROUP CASH FLOW STATEMENT

1 July - 30 June

		GROUP	
Note	DKK thousand	2004/05	2003/04
	CASH FLOW FROM OPERATING ACTIVITIES		
	Operating profit/(loss) before special items	152,769	(183,953)
	Reversed depreciation and impairment losses etc.	132,806	163,118
	Other adjustments	159	4,175
	Special items paid	(17,451)	(28,440)
27	Change in working capital	36,340	184,141
	Cash flow from operating activities before financial items	304,623	139,041
	Financial income received	9,293	11,992
	Financial expenses paid	(28,463)	(30,740)
	Cash flow from ordinary activities	285,453	120,293
9	Income tax received / paid	(7,582)	9,538
	Total net cash flow from operating activities	277,871	129,831
	CASH FLOW FROM INVESTING ACTIVITIES		
	Excess payment concerning prior acquisitions of enterprises	(7,000)	0
	Purchase of intangible assets	(12,185)	(16,752)
	Purchase of property, plant and equipment	(66,468)	(70,912)
	Sales of other fixed assets	3,129	10,626
	Total net cash flow from investing activities	(82,524)	(77,038)
	Total net cash flow from operating- and investing activities	195,347	52,793
	CASH FLOW FROM FINANCING ACTIVITIES		
	Tax value of discount on employees shares	0	27,758
	Instalments on and repayment of long-term debt	(11,434)	(5,360)
	Proceeds from exercise of share based payment plans	8,408	0
	Total net cash flow from financing activities	(3,026)	22,398
	CASH FLOW FOR THE YEAR	192,321	75,191
	CASH AND CASH EQUIVALENTS		
	Cash and cash equivalents, beginning of year	(447,192)	(517,614)
	Currency translation adjustment of cash, beginning of year	1,059	(4,769)
	Cash flow for the year	192,321	75,191
28	Cash and cash equivalents, end of year	(253,812)	(447,192)

NOTES TO THE FINANCIAL STATEMENTS

1. 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.

	2004/05				
DKK million	Wholesale	Retail	Outlet	Unallocated	Group
Revenue	1,907	774	138		2,819
Segment profit/(loss)	328	47	12		387
<i>Segment profit margin</i>	<i>17.2%</i>	<i>6.1%</i>	<i>8.7%</i>		<i>13.7%</i>
Corporate costs*				(184)	(184)
Goodwill amortisation and impairment				(50)	(50)
Operating profit before special items <i>EBIT margin</i>					153 <i>5.4%</i>
Special items		29			29
Operating profit					182

	2003/04				
DKK million	Wholesale	Retail	Outlet	Unallocated	Group
Revenue	1,607	868	137		2,612
Segment profit/(loss)	166	(71)	(7)		88
<i>Segment profit margin</i>	<i>10.3%</i>	<i>-8.2%</i>	<i>-5.1%</i>		<i>3.4%</i>
Corporate costs*				(201)	(201)
Goodwill amortisation and impairment				(71)	(71)
Operating profit before special items <i>EBIT margin</i>					(184) <i>-7.0%</i>
Special items		(70)	(5)	(16)	(91)
Operating profit					(275)

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

NOTES TO THE FINANCIAL STATEMENTS

1. SEGMENT INFORMATION (CONTINUED)

As at 30 June 2005					
DKK million	Wholesale	Retail	Outlet	Unallocated	Group
Fixed assets	67	104	13	383	567
Current assets excl. cash and cash equivalents	456	132	37	89	714
Cash and cash equivalents	-	-	-	137	137
Total assets					1,418
Non-interest-bearing debt, short-term	216	60	13	167	456
Interest-bearing debt, long-term	-	-	-	57	57
Interest-bearing debt, short-term	-	-	-	394	394
Other provisions	-	5	-	11	16
Equity	-	-	-	495	495
Total equity and liabilities					1,418
Capital employed	307	176	37	305	825
As at 30 June 2004					
DKK million	Wholesale	Retail	Outlet	Unallocated	Group
Fixed assets	74	118	9	352	553
Current assets excl. cash and cash equivalents	447	162	54	83	746
Cash and cash equivalents	-	-	-	110	110
Total assets					1,409
Non-interest-bearing debt, short-term	212	77	19	126	434
Interest-bearing debt, long-term	-	-	-	49	49
Interest-bearing debt, short-term	-	-	-	558	558
Other provisions	-	45	-	33	78
Equity	-	-	-	290	290
Total equity and liabilities					1,409
Capital employed	309	203	44	309	865

Capital employed = fixed assets + working capital as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

1. SEGMENT INFORMATION (CONTINUED)

Key ratios

	2004/05	2003/04
Total revenue growth	8%	-3%
Growth in wholesale revenue	19%	-2%
Growth in Retail revenue	-9%	-4%
Wholesale revenue to total revenue	68%	62%
Retail revenue to total revenue	32%	38%
Same-Store growth	4%	-6%
Same-Store total square meters	26,563	32,444
Total Same Store revenue per square meter, DKK	26,240	21,404
Total number of retailers*	9,173	9,042
Revenue per retailer, DKK	207,892	177,726
Number of concept stores	826	925
Concept stores owned by IC Companys	207	228
Specialty stores	126	164
Shop-in-shops	81	64
Concept stores owned by third-party retailers	619	697

*Stated on basis of the number of selling points.

GEOGRAPHIC BUSINESS AREAS - SECONDARY SEGMENTS

Market	Revenue DKK million		Number of concept stores		Number of concept stores - ownership				Number of concept stores - type			
	2004/05	2003/04	2004/05	2003/04	IC Companys		Retailers		Specialty stores		Shop-in-shops	
					2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04
Sweden	655	548	46	59	22	24	24	35	23	25	23	34
Denmark	511	459	139	167	39	41	100	126	81	86	58	81
Holland	288	294	125	174	15	17	110	157	43	43	82	131
UK and Ireland	200	178	78	50	17	6	61	44	24	17	54	33
Norway	169	130	29	23	1	3	28	20	19	21	10	2
Belgium	154	142	80	117	59	60	21	57	18	17	62	100
Finland	153	143	47	60	1	2	46	58	10	10	37	50
Germany	124	106	13	9	8	8	5	1	10	8	3	1
Poland	98	114	29	30	29	30	0	0	29	30	0	0
Switzerland	87	113	24	10	0	7	24	3	22	10	2	0
Canada	85	84	4	6	3	6	1	0	4	6	0	0
Spain	53	48	13	17	0	1	13	16	13	17	0	0
Austria	43	47	5	3	1	2	4	1	4	3	1	0
Czech Rep.	29	30	6	8	6	8	0	0	6	8	0	0
France	26	22	3	1	1	1	2	0	3	1	0	0
Hungary	20	20	5	5	5	5	0	0	5	5	0	0
Italy	17	13	0	0	0	0	0	0	0	0	0	0
Others	107	121	180	186	0	7	180	179	154	151	26	35
Total	2,819	2,612	826	925	207	228	619	697	468	458	358	467

NOTES TO THE FINANCIAL STATEMENTS

2. STAFF COSTS:

Staff costs are included in the following items:

	GROUP		PARENT COMPANY	
	2004/05	2003/04	2004/05	2003/04
DKK thousand				
Selling and distribution costs	359,862	356,497	57,754	57,508
Administrative costs	291,196	282,848	123,428	112,828
Total	651,058	639,345	181,182	170,336
Salaries, wages, emoluments, etc. can be specified as follows:				
Salaries, wages and emoluments	571,040	563,769	173,279	163,448
Pension costs	21,785	19,258	7,231	6,279
Other social security costs	58,233	56,318	672	609
Total	651,058	639,345	181,182	170,336
Average number of employees	2,019	2,095	359	327

Emoluments to the Parent Company's Executive Board amounted to DKK 7,381 thousand (2003/04: DKK 14,881 thousand), of which DKK 3,765 thousand was severance pay to former members of the Executive Board. Emoluments to the Board of Directors amounted to DKK 1,342 thousand (2003/04: DKK 1,350 thousand).

Stock options

In the spring of 2005, IC Companys granted stock options to the members of the Executive Board (2 persons) The stock option plan comprised 200,000 options at 30 June 2005. Each option entitles the holder to acquire one existing share of DKK 10 nominal value in the Company. The option plan entitles the holders to buy 1.08% of the share capital if all options are exercised.

Under the plan, each of the members of the Executive Board is entitled to buy up to 20,000 shares in the Company in each of the years 2006, 2007, 2008, 2009 and 2010 after the release of the Company's Annual Report. The exercise of the options is subject to the holder being in continuing employment at the date of exercise. No other conditions apply for the options to vest.

The options are issued at an exercise price corresponding to 154.50, and 5% per annum is added to the exercise price calculated from 15 April 2005. Unexercised options from one year cannot be transferred to a subsequent year, and if a member of the Executive Board leaves the company, all unexercised options will lapse.

The options may only be settled in shares. A part of the Company's holding of treasury shares is reserved for settlement of the options granted.

In addition, the Group has previously introduced a stock option plan concerning functional directors, functional managers and key employees. Under this plan, stock options have been granted a total of three times, last time on 1 March 2002. The stock options may be exercised in a total of five tranches during the period from August 2002 to January 2006. Unexercised options from one period cannot be transferred to the following period. The exercise price is calculated by increasing the award price by 5% per annum plus the percentage change in the all-share index on the Copenhagen Stock Exchange until the date of exercise of the stock options. The award price for the stock options was DKK 75 (June 2000), DKK 92 (February 2001) and DKK 51 (March 2002) respectively.

Stock options (number):

	Executive Board	Other executives	Total
Outstanding at 1 July 2004	0	59,775	59,775
Issued in 2004/05	200,000	0	200,000
Exercised in 2004/05	0	(36,400)	(36,400)
Cancelled in 2004/05	0	(5,475)	(5,475)
Outstanding at 30 June 2005	200,000	17,900	217,900

	Issued stock options	Exercised/ cancelled	Outstanding	Value DKKm	Exercise price	Exercise period
Executive Board	200,000	0	200,000	22.9	154.5 + 5% p.a.	01.10.06 - 31.10.10
Other executives	400,000	(382,100)	17,900	3.4	88	01.08.02 - 31.01.06
Total stock options	600,000	(382,100)	217,900	26.3		

At 30 June 2005, 13 persons are included in the stock option plans, down from 17 persons at 30 June 2004.

NOTES TO THE FINANCIAL STATEMENTS

2. STAFF COSTS, CONTINUED:

Warrants

In the spring of 2005, IC Companys granted warrants to a number of key employees (45 persons). The warrants granted provide access to subscribing for a total of 365,000 shares with up to 1/3 in the autumn of 2006, 2007 and 2008 after the release of the Annual Report. The subscription price amounts to 154.50 plus 5% per annum calculated from 15 April 2005. Unexercised warrants from one year may be transferred to the subsequent year during the term of the plan.

The exercise of the warrants granted is subject to the holder being in continuing employment at the date of exercise. No other conditions apply for legal acquisition to be effected.

In addition, the Group has a total of three warrant plans at 30 June 2005 which were introduced in previous financial years.

Warrants were granted to members of the Executive Board, other executives and key employees of the Parent company and managers of the subsidiaries in the autumn of 2000, 2001 and 2002 totalling 717,500 warrants, 185,000 warrants and 225,000 warrants respectively. Each warrant granted in the autumn of 2000 entitles the holder to subscribe for one share at a price of 97 over a three-year period beginning in the autumn of 2003. Each warrant granted in the autumn of 2001 entitles the holder to subscribe for one share at a price of 46 plus 5% per annum over a three-year period beginning in the autumn of 2002. Each warrant granted in the autumn of 2002 entitles the holder to subscribe for one share at a price of 35 plus 6% per annum over a three-year period beginning in the autumn of 2003.

Warrants (number):

	Executive Board	Other executives	Total
Outstanding at 1 July 2004	11,400	460,250	471,650
Reclassified in 2004/2005	21,133	(21,133)	0
Issued in 2004/05	0	365,000	365,000
Exercised in 2004/05	(12,800)	(62,000)	(74,800)
Cancelled in 2004/05	(6,667)	(195,583)	(202,250)
Adjustment regarding beginning	0	15,600	15,600
Outstanding at 30 June 2005	13,066	562,134	575,200

	Issued warrants	Exercised/ cancelled	Outstanding	Value DKKm	Exercise price*	Exercise period
Awarded in 2000	717,500	(630,500)	87,000	15.5	97.00	27.09.03 - 21.10.05
Awarded in 2001	185,000	(185,000)	0	0.0	46+5%pa	27.09.02 - 31.10.04
Awarded in 2002	225,000	(101,800)	123,200	28.8	35+6%pa	27.09.03 - 31.10.05
Awarded in 2005	365,000	0	365,000	41.5	154.5+5%pa	01.10.06 - 31.10.08
Total warrants	1,492,500	(917,300)	575,200	85.8		

* The exercise prices have been calculated for a number of the plans as the plans include annual growth requirements.

At 30 June 2005, 57 persons are included in the warrant plans, an increase from 27 persons at 30 June 2004.

As Mikkel Vendelin Olesen became a member of the Executive Board on 9 November 2004, his share of the warrant plan for 2000 and 2002 has been transferred to the Executive Board column.

The market value of the stock options and warrants is based on the Black-Scholes valuation model. The assumptions applied, which are based on current market conditions, are shown below:

	2004/05	2003/04
Expected volatility	25%	79%
Expected dividend per share (in DKK)	0	0
Risk-free interest rate	2.15 -2.66%pa	4.73%

Employee shares

In May 2005, the parent company offered employee shares to employees at all levels of the parent company and in Danish and foreign subsidiaries. Each employee was offered the opportunity to subscribe for a maximum of 500 shares. 736 employees accepted the offer, and 163,312 new shares were subscribed, corresponding to 0.9% of the share capital. The subscription price was DKK 10.5 per share.

In accordance with Danish legislation, the shares are held in blocked accounts until the end of the fifth calendar year after the subscription. Accordingly, the shares cannot be sold or otherwise disposed of during the restricted period. However, the shares will be released in the event of the employee's death or disablement.

NOTES TO THE FINANCIAL STATEMENTS

3. DEPRECIATION AND IMPAIRMENT:

Depreciation and impairment for the year is included in the following income statement items:

DKK thousand	GROUP		PARENT COMPANY	
	2004/05	2003/04	2004/05	2003/04
Selling and distribution costs	61,827	55,876	2,488	2,861
Administrative expenses	64,484	107,240	10,541	15,679
Special items	27,950	35,251	23,580	0
Total	154,261	198,367	36,609	18,540

4. FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING:

Specification of fees for the year to auditors appointed at the annual general meeting:

DKK thousand	GROUP		PARENT COMPANY	
	2004/05	2003/04	2004/05	2003/04
Audit fees:				
Deloitte	4,392	4,257	1,003	962
Ernst & Young	951	962	861	962
Other audit firms	12	92	0	0
Other fees:				
Deloitte	3,612	5,316	530	2,387
Ernst & Young	420	597	326	520
Other audit firms	174	120	0	0
Total	9,561	11,344	2,720	4,831

5. OTHER OPERATING INCOME:

DKK thousand	GROUP		PARENT COMPANY	
	2004/05	2003/04	2004/05	2003/04
Services provided to subsidiaries	-	-	48,442	58,604
Profits on sales of property, plant and equipment	3,993	1,799	0	968
License fees	8,274	4,937	2,188	1,583
Entrance fees from franchisees	3,827	1,743	0	0
Reversal of restructuring provision	2,803	0	0	0
Gain on sale of Sir of Sweden	3,836	0	0	0
Miscellaneous	1,359	2,130	1,482	1,005
Total	24,092	10,609	52,112	62,160

NOTES TO THE FINANCIAL STATEMENTS

6. OTHER OPERATING COSTS:

DKK thousand	GROUP		PARENT COMPANY	
	2004/05	2003/04	2004/05	2003/04
Loss on closure of Retail shop leases	(8,045)	0	0	0
Miscellaneous	(1,675)	0	(960)	0
Total	(9,720)	0	(960)	0

7. SPECIAL ITEMS:

DKK thousand	GROUP		PARENT COMPANY	
	2004/05	2003/04	2004/05	2003/04
Closure of own Retail stores	29,841	(75,000)	0	0
Provision in respect of Danstruplund etc.	(15,000)	(16,000)	(15,000)	(15,000)
Adjustment regarding partial assignment of lease	14,384	0	0	0
Total	29,225	(91,000)	(15,000)	(15,000)

8. NET FINANCIAL ITEMS:

DKK thousand	GROUP		PARENT COMPANY	
	2004/05	2003/04	2004/05	2003/04
Financial income:				
Interest on bank deposits	2,984	5,404	0	0
Interest on receivables from Group enterprises	-	-	18,257	23,365
Net currency gain	1,765	859	3,176	436
Realized gain on forward contracts	0	566	0	566
Other financial income	4,983	4,780	131	2,408
Total	9,732	11,609	21,564	26,775
Financial expenses:				
Interest on debt to financial institutions	(19,692)	(24,995)	(15,122)	(19,059)
Interest on debt to Group enterprises		-	(6,332)	(4,701)
Realized loss on forward contracts	(5,062)	0	(5,062)	0
Other financial expenses	(8,954)	(5,174)	(3,032)	(765)
Total	(33,708)	(30,169)	(29,548)	(24,525)
Net financial items	(23,976)	(18,560)	(7,984)	2,250

NOTES TO THE FINANCIAL STATEMENTS

9. INCOME TAX:

DKK thousand	GROUP		PARENT COMPANY	
	2004/05	2003/04	2004/05	2003/04
Current tax	39,753	4,921	324	319
Current contribution to joint taxation	0	0	(1,281)	(10,453)
Change in deferred tax	(57,285)	10,221	(52,911)	13,697
Prior-year adjustments, deferred tax	(741)	(1,045)	0	(6,758)
Adjustment regarding changes in tax percentages, deferred tax	4,022	745	2,042	0
Prior-year adjustments, tax payable	2,997	272	2,266	3,152
Foreign non-income dependent taxes	945	845	0	0
Tax in subsidiaries	-	-	39,251	16,002
Income tax for the year	(10,309)	15,959	(10,309)	15,959
which is recognised as follows:				
Income tax on profit/(loss) for the year	(14,463)	15,240	(14,463)	15,240
Tax on equity movements	4,154	719	4,154	719
Income tax for the year	(10,309)	15,959	(10,309)	15,959
Tax receivable (payable) at 1 July	31,181	73,698	30,047	58,570
Tax payable on profit/(loss) for the year	(43,695)	(4,920)	(2,590)	5,564
Paid / received income tax during the year	7,582	(9,538)	(13,590)	(6,336)
Received tax value of discount on employee share plans	0	(27,751)	0	(27,751)
Currency translation etc.	(2,345)	(308)	0	0
Income tax receivable / (payable) at 30 June, net	(7,277)	31,181	13,867	30,047
Recognised as follows:				
Income tax receivable	28,199	53,007	13,867	30,047
Income tax payable	(35,476)	(21,826)	0	0
Income tax receivable / (payable), net	(7,277)	31,181	13,867	30,047

Breakdown of tax on the profit/(loss) for the year

DKK thousand	GROUP	
	2004/05	2003/04
Estimated tax on the profit/(loss) before tax (28%)	44,245	(88,054)
Non-deductible amortisation of goodwill/leasehold rights	15,837	28,862
Other non-taxable income and non-deductible costs	(23,588)	(2,958)
Changes in tax percentages	5,830	1,152
Net deviation of tax in foreign subsidiaries relative to 28%	(3,828)	(5,307)
Prior-year adjustment to 28%	4,927	(595)
Foreign non-income dependent taxes	1,272	1,194
Revaluation of tax losses carried forward etc.	(59,158)	80,946
Total	(14,463)	15,240

NOTES TO THE FINANCIAL STATEMENTS

10. GROUP INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

DKK thousand	Goodwill	Software and IT systems	Trademark rights	Leasehold rights	Land and buildings	Leasehold improvements	Equipment and furniture
Cost at 1 July 2004	599,836	133,023	350	104,614	39,631	288,428	307,662
Currency translation	(13,773)	(6)	-	(3,331)	12	2,880	3,953
Transfer, adjustment etc.	1,022	-	-	822	9,291	1,973	12,121
Additions	-	10,489	-	1,704	44,940	36,761	29,912
Disposals	-	(14)	-	(3,327)	(13,941)	(57,963)	(58,016)
Cost at 30 June 2005	587,085	143,492	350	100,482	79,933	272,079	295,632
Accumulated amortisation, depreciation and impairment at 1 July 2004	(427,837)	(104,801)	(35)	(64,513)	(14,271)	(198,001)	(247,624)
Currency translation	10,086	2	-	3,259	65	(2,481)	(3,231)
Transfer, adjustment etc.	(1,022)	-	-	(822)	(7,459)	(1,716)	(12,378)
Amortisation, depreciation and impairment on disposals	-	1	-	1,924	6,210	52,763	56,364
Amortisation, depreciation and impairment	(49,149)	(9,110)	(35)	(12,467)	(24,806)	(29,099)	(29,595)
Accumulated amortisation, depreciation and impairment at 30 June 2005	(467,922)	(113,908)	(70)	(72,619)	(40,261)	(178,534)	(236,464)
Carrying amount at 30 June 2005	119,163	29,584	280	27,863	39,672	93,545	59,168

The capitalised value of leased assets is included at an amount of DKK 26.518 thousand at 30 June 2005 (2004: DKK 14.637 thousand) in land and buildings.

The carrying amount of non-Danish land and buildings not subject to public assessment was DKK 19.285 thousand at 30 June 2005 (2004: DKK 25.360 thousand).

The public assessment of Danish land and buildings was DKK 40.000 thousand at 30 June 2005 (assessment at 1 October 2004).

11. PARENT COMPANY INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

DKK thousand	Software and IT systems	Trademark rights	Land and buildings	Leasehold improvements	Equipment and furniture
Cost at 1 July 2004	132,793	350	-	21,153	30,148
Additions	10,818	-	43,967	7,251	3,152
Disposals	(711)	-	-	(326)	(319)
Cost at 30 June 2005	142,900	350	43,967	28,078	32,981
Accumulated amortisation, depreciation and impairment at 1 July 2004	(104,580)	(35)	-	(4,542)	(20,286)
Amortisation, depreciation and impairment on disposals	-	-	-	140	280
Amortisation, depreciation and impairment	(9,060)	(35)	(23,580)	(2,441)	(1,493)
Accumulated amortisation, depreciation and impairment at 30 June 2005	(113,640)	(70)	(23,580)	(6,843)	(21,499)
Carrying amount at 30 June 2005	29,260	280	20,387	21,235	11,482

The capitalised value of leased assets is included at an amount of DKK 20.387 thousand at 30 June 2005 (2004: DKK 0 thousand) in land and buildings.

The public assessment of Danish land and buildings was DKK 40.000 thousand at 30 June 2005 (assessment at 1 October 2004).

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENTS IN GROUP ENTERPRISES:

DKK thousand	PARENT COMPANY	
	2005	2004
Cost at 1 July	1,848,261	1,840,763
Additions on acquisitions/company formations	500	7,498
Capital increase in subsidiaries	64,879	0
Cost at 30 June	1,913,640	1,848,261
Value adjustment at 1 July	(1,537,595)	(1,341,725)
Currency translation	(1,236)	(314)
Profit/(loss) in subsidiaries, including movements in intercompany profits, etc. (after tax)	266,159	(13,601)
Goodwill amortisation	(50,280)	(70,648)
Dividend, prior-year adjustment	(24,968)	(111,307)
Value adjustment at 30 June	(1,347,920)	(1,537,595)
Net investments in Group enterprises at 30 June	565,720	310,666
Subsidiaries with negative equity, offset against financial receivables	31,601	52,314
Subsidiaries with negative equity, offset against receivables	88,176	132,130
Carrying amount at 30 June	685,497	495,110
The carrying amount of investments includes goodwill of	119,163	171,999

DKK thousand	2004/05	2003/04
Breakdown of profit/(loss) from subsidiaries:		
Profit/(loss) from subsidiaries before tax	262,690	(53,421)
Change in unrealised intercompany profit on inventories, etc. before tax	(7,560)	(14,826)
Profit/(loss) from investments before tax	255,130	(68,247)
Income tax on the profit/(loss) for the year	(39,251)	(16,002)
Profit/(loss) from investments after tax	215,879	(84,249)

A list of Group enterprises is included at the end of this Annual Report

13. OTHER INVESTMENTS HELD BY THE GROUP:

DKK thousand	Shares	Deposits, etc.
Cost at 1 July 2004	208	28,173
Additions	29	4,185
Disposals	-	(3,144)
Cost at 30 June 2005	237	29,214
Value adjustment at 1 July 2004	-	(590)
Currency translation, etc.	(6)	212
Value adjustment at 30 June 2005	(6)	(378)
Carrying amount at 30 June 2005	231	28,836

NOTES TO THE FINANCIAL STATEMENTS

14. OTHER INVESTMENTS HELD BY THE PARENT COMPANY:

DKK thousand	Receivables from Group enterprises	Deposits, etc.
Cost at 1 July 2004	62,377	2,332
Additions	2,525	52
Disposals	(25,072)	(172)
Cost at 30 June 2005	39,830	2,212
Value adjustment at 1 July 2004	120	-
Currency translation, etc.	472	-
Value adjustment at 30 June 2005	592	-
Negative equity set off against loans at 1 July 2004	(52,314)	-
Movements during the year	20,713	-
Negative equity set off against loans at 30 June 2005	(31,601)	-
Carrying amount at 30 June 2005	8,821	2,212

15. DEFERRED TAX:

DKK thousand	GROUP		PARENT COMPANY	
	2005	2004	2005	2004
Deferred tax assets at 1 July	102,831	112,630	30,635	37,574
Prior-year adjustments	741	1,045	0	6,758
Adjustment regarding changes in tax percentages	(4,023)	(700)	(2,042)	0
Currency translation	974	210	0	0
Deferred tax on equity movements	(8,254)	0	(8,254)	0
Change in deferred tax on profit/(loss) for the year	65,539	(10,354)	61,165	(13,697)
Net deferred tax assets at 30 June	157,808	102,831	81,504	30,635
Recognised as follows:				
Deferred tax assets	168,392	108,721	81,504	30,635
Deferred tax	(10,584)	(5,890)	0	0
Net deferred tax assets 30 June	157,808	102,831	81,504	30,635
Breakdown of deferred tax assets at 30 June:				
Intangible assets	23,312	49,539	7,573	8,655
Property, plant and equipment	48,744	45,225	37,445	35,656
Investments	(12,173)	887	(8,254)	1,003
Current assets	30,123	30,657	359	6,208
Short-term debt	(5,316)	(5,978)	2,663	(16,959)
Long-term debt	0	0	0	0
Net tax losses carried forward	237,636	223,917	86,208	52,766
Gross deferred tax assets	322,326	344,247	125,994	87,329
Unrecognised tax assets	(164,518)	(241,416)	(44,490)	(56,694)
Net deferred tax assets at 30 June	157,808	102,831	81,504	30,635

NOTES TO THE FINANCIAL STATEMENTS

16. INVENTORIES:

DKK thousand	GROUP		PARENT COMPANY	
	2005	2004	2005	2004
Raw materials and consumables	11,040	25,628	5,666	22,187
Finished goods and goods for resale	317,963	349,428	243,138	129,642
Prepayments for goods	21,793	12,887	8,245	7,103
Inventories at 30 June	350,796	387,943	257,049	158,932

17. RECEIVABLES:

Out of the total receivables, the following amounts fall due more than 12 months after the end of the financial year:

DKK thousand	GROUP		PARENT COMPANY	
	2005	2004	2005	2004
Income tax receivable	3,971	1,684	0	0
Other receivables	1,483	1,549	0	0
Receivables at 30 June	5,454	3,233	0	0

18. OTHER RECEIVABLES:

DKK thousand	GROUP		PARENT COMPANY	
	2005	2004	2005	2004
VAT receivable, etc.	6,117	8,522	1,035	1,964
Advance payments to employees, etc.	1,371	1,097	112	373
Receivables from stores owned by third parties	10,019	18,118	0	0
Credit card receivables	2,177	4,090	0	0
Unrealised gains on financial contracts	35,772	0	35,772	0
Sundry receivables	13,143	9,159	2,492	1,683
Other receivables at 30 June	68,599	40,986	39,411	4,020

19. PREPAYMENTS:

DKK thousand	GROUP		PARENT COMPANY	
	2005	2004	2005	2004
Collection samples	23,366	22,642	6,588	4,563
Advertising	8,084	1,623	3	135
Rent, etc.	26,712	25,472	2,337	1,725
Insurance	4,384	2,901	1,690	1,142
Social security payments	3,762	2,972	0	0
Others	13,920	7,180	3,753	1,865
Prepayments at 30 June	80,228	62,790	14,371	9,430

NOTES TO THE FINANCIAL STATEMENTS

20. SHARE CAPITAL:

The share capital consists of 18,589,762 shares of DKK 10 nominal value each. No shares carry any special rights. The share capital is fully paid up.

The following capital increases have been made:

	Number	Nominal value DKK thousand
Share capital at 1 January 2001	7,107,458	71,075
Addition on merger	10,250,000	102,500
Share capital at 30 June 2001	17,357,458	173,575
Addition in 2001/02	794,192	7,942
Share capital at 30 June 2002	18,151,650	181,517
Addition in 2002/03	200,000	2,000
Share capital at 30 June 2003	18,351,650	183,517
Share capital at 30 June 2004	18,351,650	183,517
Addition in 2004/05	238,112	2,381
Share capital at 30 June 2005	18,589,762	185,898

Treasury shares

During the year the Company has sold treasury shares in connection with the exercise of stock options by employees.

Breakdown of treasury shares:

	% of share capital	Number	Nominal value
Treasury shares at 1 July 2004	1.9%	350,182	3,501,820
Additions	0.0%	0	0
Disposals	-0.2%	(36,400)	(364,000)
Treasury shares at 30 June 2005	1.7%	313,782	3,137,820

The shares were originally acquired to hedge the Company's liabilities under the stock option plan for the Executive Board, other executives, functional managers and key employees. The sales value of stock options exercised in 2004/05 amounts to DKK 3,738 thousand.

The value of treasury shares at market price as at 30 June 2005 was DKK 86,209 thousand.

21. OTHER PROVISIONS, GROUP:

DKK thousand	Pension commitment	Rent for loss- generating stores to be closed	Provision for rent	Restructuring of acquired enterprise	Total provisions
Provisions at 1 July 2004	844	45,918	18,426	7,131	72,319
Additions	164	-	-	-	164
Taken to income under special items	-	(29,841)	(8,580)	-	(38,421)
Expenditure	(11)	(11,273)	(9,846)	(6,831)	(27,961)
Provisions at 30 June 2005	997	4,804	-	300	6,101

The restructuring of an acquired enterprise solely concerns companies of the Tiger of Sweden and is expected to be completed by 30 June 2006.

The rent obligation is calculated as the anticipated rent from terminating identified store leases. The calculation of the provision takes into consideration any positive contribution from operations until the expected closure date. The disposal of the store leases is expected to be completed before 30 June 2006.

NOTES TO THE FINANCIAL STATEMENTS

22. OTHER PROVISIONS, PARENT COMPANY:

DKK thousand	Pension commitment	Rent for loss-generating stores to be closed	Provision for rent	Restructuring of acquired enterprise	Total provisions
Provisions at 1 July 2004	-	-	18,426	-	18,426
Additions	-	-	-	-	-
Taken to income under special items	-	-	(8,580)	-	(8,580)
Expenditure	-	-	(9,846)	-	(9,846)
Provisions at 30 June 2005	-	-	-	-	-

23. LONG-TERM DEBT:

DKK thousand	GROUP		PARENT COMPANY	
	2005	2004	2005	2004
Falling due within 1-5 years	50,028	12,375	41,510	0
Falling due after more than 5 years	6,448	36,400	0	0
Long-term debt at 30 June	56,476	48,775	41,510	0

	GROUP		PARENT COMPANY	
	2005	2004	2005	2004
DKK	74%	0%	100%	0%
SEK	9%	19%	0%	0%
GBP	17%	81%	0%	0%
Total	100%	100%	100%	0%

The total minimum lease payments amount to DKK 60,716 thousand, and thus the calculated interest item amounts to DKK 6,400 thousand.

24. SHORT-TERM DEBT TO FINANCIAL INSTITUTIONS:

The Group's short-term debt to financial institutions consists of Danish and foreign overdraft facilities at average floating rates of 3.48% p.a.

Breakdown of short-term debt to financial institutions by currency:

	GROUP	
	2005	2004
DKK	48%	48%
EUR	26%	11%
SEK	7%	19%
GBP	1%	1%
USD	2%	1%
CHF	2%	6%
CAD	3%	3%
PLN	10%	8%
NOK	0%	0%
Others	1%	3%
Total	100%	100%

25. OTHER DEBT:

DKK thousand	GROUP		PARENT COMPANY	
	2005	2004	2005	2004
VAT, customs and PAYE tax withheld	38,798	45,221	15,050	18,703
Social security costs and holiday allowance payable	82,778	65,171	26,002	21,221
Accrued interest	7,328	577	0	102
Unrealised losses on financial contracts	0	8,310	0	8,310
Credit vouchers	4,717	3,932	0	0
Severance pay	8,833	12,105	4,721	9,843
Other costs payable	34,961	33,648	17,258	21,728
Total	177,415	168,964	63,031	79,907

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL LIABILITIES:

DKK thousand	GROUP		PARENT COMPANY	
	2005	2004	2005	2004
Lease liability:				
Next year's payment amounts to	13,176	13,356	3,394	3,446
The total liability, which runs for up to 4.9 years, totals	30,210	28,714	8,272	9,730
Rent liability:				
Next year's rent amounts to	196,273	218,194	5,727	5,724
The total liability, which runs for up to 19.5 years, totals	753,207	924,427	149,898	174,704
Guarantees and other collateral security relating to subsidiaries	-	-	281,573	223,951
Other guarantees and other collateral security	307,728	252,316	1,750	4,489

The parent company is jointly and severally liable with the other jointly taxed companies for tax on the jointly taxed companies.

The Parent Company's contingent liabilities include rent for 19.5 years for the Company's head office at Raffinaderivej. The Company has an option to buy the property in 2015. Furthermore, the Parent Company has issued letters of comfort for certain subsidiaries.

27. CHANGE IN WORKING CAPITAL:

DKK thousand	GROUP	
	2004/05	2003/04
Change in inventories	30,044	55,366
Change in receivables	(30,112)	81,618
Change in short-term debt excluding tax	36,408	47,157
Total	36,340	184,141

28. CASH AT YEAR-END:

DKK thousand	GROUP	
	2005	2004
Securities and cash	137,561	110,395
Financial institutions, short-term	(391,373)	(557,587)
Total	(253,812)	(447,192)

NOTES TO THE FINANCIAL STATEMENTS

29. DERIVATIVE FINANCIAL INSTRUMENTS:

Foreign exchange risks:

The Group's foreign exchange risk (transaction risk) is handled centrally by the Group's Treasury department. Danish kroner (DKK) is the Group's base currency, and net positions are generally hedged vis-à-vis DKK. The Group's primary transaction risk relates to the buying and selling of goods in foreign currency. Hedging of the accounting and anticipated risks is made through forward transactions and/or options. Hedging is made on a 12-month horizon.

The Group's risks for the next 12 months may be specified as follows (DKK thousand):	Anticipated inflow	Anticipated outflow	Hedge	Net position	Net position DKK thousand
EUR	83,868	38,319	0	45,549	339,408
USD	5,990	48,848	43,000	142	875
HKD	0	529,525	530,000	475	377
SEK	480,868	11,382	270,000	199,486	157,694
NOK	173,860	0	173,000	860	810
GBP	11,926	0	11,000	926	10,235
CHF	13,397	0	11,500	1,897	9,120
PLN	28,349	3	24,500	3,846	7,095
CZK	61,985	0	61,400	585	145
HUF	267,460	0	0	267,460	8,051
CAD	11,679	0	11,250	429	2,145

DKK thousand	2005	2004
Foreign currency bought on forward contracts		
Nominal value		
Forward contracts	675,199	548,943
Foreign currency sold on forward contracts		
Nominal value		
Forward contracts	626,915	712,166
Net market value, unrealised loss/(gain)	(35,772)	4,989
Recognised in the income statement	(10,533)	824
Recognised in equity	(25,239)	4,164

Forward exchange contracts relate exclusively to hedges of goods sold and bought. See the Company's policy in this respect.

The Company's foreign exchange exposure is hedged by the Parent Company, although a few subsidiaries have unhedged foreign exchange exposure if they have signed rent contracts in a currency other than the local currency.

Interest rate risks

The Group's interest rate risk is monitored by the Treasury department on an ongoing basis. The Group employs matching of the maturities of each individual asset/liability. The typical neutral maturity for the Group is two months. FRAs and/or interest swaps are used to hedge interest rate risks.

The following maturity/reassessment profiles apply to the Group's financial assets and liabilities:

DKK thousand	Reassessment/maturity profile			Fixed interest	Effective rate of interest
	0-1 years	1-5 years	> 5 years		
Trade receivables	186,019	0	0	nej	0.00%
Trade payables	242,307	0	0	nej	0.00%
Capitalised lease liability	3,120	44,749	6,447	nej	5.04%
Financial institutions, short-term	391,373	0	0	nej	3.48%
Financial institutions, long-term	0	5,280	0	ja	3.20%

Credit risks

The Group solely uses internationally recognised banks with a high credit rating. The credit risks on forward contracts and bank deposits are consequently deemed to be low.

NOTES TO THE FINANCIAL STATEMENTS

30. RELATED PARTY TRANSACTIONS

IC Companys A/S' related parties include subsidiaries as set out in note 12 and the companies' boards of directors, executive boards and executives. Related parties include companies in which these persons have a significant interest.

IC Companys A/S conducts substantial trading with all its subsidiaries. Trading is conducted on an arm's length basis.

The Group has entered into a property lease with I/S Hakkesstraat 35-37, Venlo, the Netherlands. The partnership is owned by Board member Niels Martinsen (who owns 37.6% of IC Companys A/S via Friheden Invest A/S) who owns 95%.

The property functions as a distribution centre. The lease has been entered into on arm's length terms based on an impartial assessment of the rent by a licensed estate agent in the Netherlands. The lease has been renegotiated during 2004/05 and the lease cannot be terminated by any of the parties until 1 November 2008.

The rent paid in 2004/05 amounts to DKK 2.282 thousand.

The Company has had other transactions during the year with Niels Martinsen and companies controlled by Niels Martinsen. The transactions were all made on arm's length terms and did not exceed DKK 1 million for the financial year.

With the exception of intra-group transactions, which have been eliminated in the consolidated financial statements, and usual management remuneration, the Group has not made transactions in this or any previous years with the Board of Directors, Executive Board, executives, major shareholders or other related parties.

31. PENDING LITIGATION

The Group is not currently involved in any pending litigation which may have a material effect on the Group's financial position.

TRANSITION TO IFRS IN 2005/06

With effect from 1 July 2005, the Group will prepare its financial statements in accordance with the international financial reporting standards (IFRS). In accordance with the provisions of IFRS 1 “First-time Adoption of International Financial Reporting Standards”, the transition date will consequently be 1 July 2004.

Based on the IFRS standards in force on 1 July 2005, the transition from the current accounting standards to IFRS will result in changes in the following areas of the consolidated financial statements:

- A. So far, the Group has applied the purchase method to account for acquisitions. The Group has decided to apply the exemption rules in IFRS 1, to the effect that IFRS 3 “Business Combinations” will be implemented with effect from 1 July 2004. Acquisitions made before 1 July 2004 will consequently not be revalued, and the carrying amount of goodwill made up according to the Group’s previous accounting policies will be used as the new cost of goodwill in the IFRS opening balance sheet.

Goodwill was previously amortised on a straight-line basis over its useful economic life. Under IFRS 3, goodwill will not be amortised after 1 July 2004 but be subject to an annual impairment test. The recoverable amount exceeded the carrying amount of goodwill on both 1 July 2004 and 30 June 2005.

- B. The Group’s option and warrant plans offer the employees opportunities to buy shares in the Parent Company. Amounts received and disbursed relating to these plans were previously taken to equity. Under IFRS 2 “Share-based Payments”, plans granted after 7 November 2002 and which had not vested on 1 July 2005 must be measured at the fair value on the date of grant and be recognised as a payroll cost in the income statement during the vesting period of the instruments. The costs recognised in 2004/05 solely concern incentive plans granted in the spring of 2005. The fair value is measured using the Black & Scholes model.
- C. Intangible leasehold rights were previously amortised on a straight-line basis over the terms of the leases, not to exceed ten years. A few of the Group’s leasehold rights have indefinable lives. Under IAS 38 “Intangible Assets”, these rights will no longer have to be amortised, but will instead be subjected to an impairment test.
- D. Previously, defined-benefit pension plans were not recognised on the basis of actuarial calculations of the size of the liabilities. Under IAS 19 “Employee Benefits”, liabilities relating to defined-benefit pension plans must be measured and recognised on the basis of actuarial calculations. In accordance with IFRS 1, the Group has decided to set the actuarial gains and losses on 1 July 2004 at nil. Furthermore, the Group has decided not to apply the corridor method, to the effect that the full pension liability will be recognised on a current basis.
- E. In accordance with IAS 12 “Income Taxes”, the effect of the accounting policy changes on deferred tax will be recognised.
- F. The Group uses financial instruments, primarily forward currency contracts, to hedge future cash flows. The fair value of these instruments is recognised directly in equity until the hedged transactions are realised. The Group has decided to implement IAS 32 and IAS 39 regarding the accounting treatment of financial instruments with effect from 1 July 2005. In accordance with this, the comparative figures for 2004/05 will not be restated to reflect the requirements of these two standards. The implementation of IAS 32 and IAS 39 will have no other impact on the Group’s results of operations and equity.

With effect from 1 July 2005, IC Companys has also decided to present its Parent Company financial statements under IFRS.

Based on the IFRS standards in force on 1 July 2005, the change from the current accounting standards to IFRS will result in changes in the following areas of the Parent Company financial statements:

- G. Exchange adjustments from the translation of income statements and balance sheets of foreign entities are still recognised in equity. In accordance with IFRS 1, the Company has decided to set accumulated currency translation adjustments relating to the translation of foreign entities into Danish kroner on 1 July 2004 at nil. IAS 21 "The Effects of Changes in Foreign Exchange Rates" requires that such currency translation adjustments are subsequently included in a special reserve for exchange rates under equity.
- H. Investments in subsidiaries were previously measured according to the equity method. In accordance with IAS 27 "Consolidated and Separate Financial Statements", investments in subsidiaries will be measured at cost in future. In the balance sheets at 1 July 2004 and 30 June 2005, respectively, value adjustments from cost to equity value including the carrying amount of goodwill will be reversed. In the income statement for 2004/05, the share of the profit for the year after tax and amortisation of goodwill will be reversed.

Dividends received from subsidiaries will be recognised in the Parent Company's income statement under financial income from and including 2004/05.

Other than the above, the transition to IFRS will result in a few reclassifications in the consolidated financial statements as well as the financial statements of the Parent Company, and the notes to the financial statements will be adjusted to IFRS requirements.

The table below shows the effect of the said adjustments in the consolidated opening balance sheet at 1 July 2004, the profit for the year, and the consolidated balance sheet at 30 June 2005. The letters (A) – (E) refer to the description above of accounting policy changes as a result of the transition to IFRS.

DKK thousand	1 July 2004			2004/05	30 June 2005		
	Assets	Liabilities	Equity	Profit for the year	Assets	Liabilities	Equity
Stated according to the Danish Financial Statements Act and Danish accounting standards	1,409,051	1,118,809	290,242	172,481	1,418,136	922,852	495,284
A. Goodwill	0	0	0	50,280	50,280	0	50,280
B. Share-based compensation	0	0	0	-24,461	0	0	0
C. Leasehold rights	0	0	0	1,446	1,446	0	1,446
D. Pensions	0	9,376	-9,376	-646	0	10,021	-10,021
E. Tax effect of adjustments	-48	0	-48	3,896	-252	0	-252
Total adjustments	-48	9,376	-9,424	30,515	51,474	10,021	41,453
Stated according to IFRS	1,409,003	1,128,185	280,818	202,996	1,469,610	932,873	536,737

F - H. Other references

SHAREHOLDER INFORMATION

ADDRESS

IC Companys A/S
Raffinaderivej 10
DK-2300 Copenhagen S
Denmark

Company reg. no. 62816414

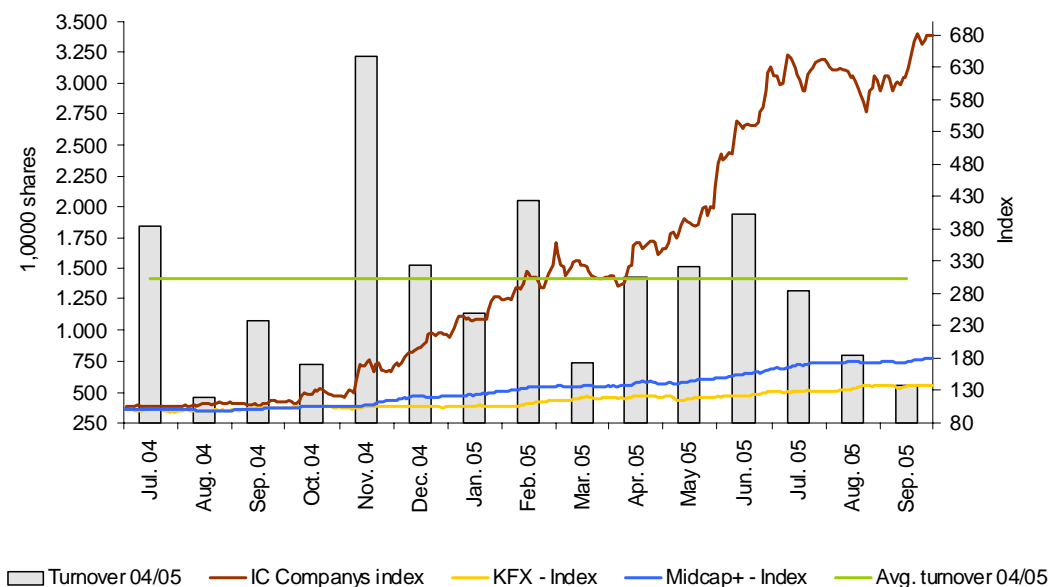
Tel +45 3266 7788
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E-mail: ho@iccompanys.com

STOCK EXCHANGE PERFORMANCE IN 2004/05

IC Companys' shares are listed on the Copenhagen Stock Exchange. The share price rose by 556% from DKK 42.3 per share on 30 June 2004 to DKK 277.3 per share on 30 June 2005. The share price performed well during most of the year in step with the revitalisation and release of the Company's earnings potential. The highest price of IC Companys shares was reached on 29 June 2005, when the average price was DKK 279.6 per share. The lowest price of the year was reached on 1 July 2004, when the average price was DKK 43.7 per share.

The trading volume of IC Companys shares on the Copenhagen Stock Exchange was 17.6 million shares and DKK 2.1 billion. At the end of the financial year, the market capitalisation of IC Companys was DKK 5.2 billion, corresponding to an increase in value by DKK 4.4 billion during the financial year.

As a result of this performance, IC Companys' shares were included in the Copenhagen Stock Exchange MidCap+ Index on 1 January 2005.



Share capital

At 30 June 2005, the share capital amounted to DKK 185,897,620. The share capital consists of 18,589,762 shares of DKK 10 each.

The share capital was increased by a total of 238,112 shares in 2004/05: by DKK 748,000 nominal value equivalent to 74,800 shares in October 2004 in connection with the exercise of warrants, and by DKK 1,633,120 equivalent to 163,312 shares in May 2005 in connection with an employee share offer.

The Company's articles of association authorise the Board of Directors to make one or more issues of warrants for a total nominal value of DKK 1,350,000 equivalent to 135,000 shares.

In recent years, the Group has issued a total of 713,182 employee shares at a discount to the market price. Out of these employee shares, 433,182 shares were held in blocked accounts as at 30 June 2005. The Company's articles of association authorise the Board of Directors to make one or more issues of shares to the employees at a discount to the market price for a total nominal value of DKK 2,366,880, equivalent to 236,688 shares.

Shareholder structure

At 30 June 2005, the Company had some 8,255 registered shareholders, who hold approximately 94% of the share capital. 5.5% of the total share capital is held by non-Danish shareholders.

As a result of IC Companys' offer of employee shares, the ownership interest of the Danish Labour Market Capital Pension Fund (ATP) has been reduced to less than 10%. At the beginning of the financial year, LD Pensions decided to reduce its ownership interest in IC Companys to less than 5%.

Shareholders at 30 June 2005	Number of shares	Capital and votes
Friheden Invest A/S	6,983,892	37.6%
Danish Labour Market Capital Pension Fund (ATP)	1,844,874	9.9%
Treasury shares	314,632	1.7%
Other shareholders	9,446,364	50.8%
Total	18,589,762	100.0%

INVESTOR RELATIONS

The Group has a goal of maintaining a high and uniform flow of information and to maintain an open and active dialogue with investors and analysts. For investor information go to www.iccompanys.com which contains the Group's investor policy, relevant investor information, including announcements to the Copenhagen Stock Exchange, financial statements and presentations.

Enquiries from shareholders, financial analysts or other interested parties should be addressed to:

Chris Bigler, Chief Financial Officer
 IC Companys A/S
 Raffinaderivej 10
 DK-2300 Copenhagen S

Tel +45 3266 7017
 Fax +45 3266 7040
 E-mail investorrelations@iccompanys.com

Analysts

IC Company's shares are being monitored by the following analysts:

<i>Securities house</i>	<i>Name</i>	<i>E-mail</i>
ABN AMRO Alfred Berg	Jesper Breitenstein	jesper.breitenstein@alfredberg.dk
Carnegie	Peter Rothausen	peter.rothausen@carnegie.dk
Danske Bank	Michael West Hybholt	michael.hybholt@danskebank.dk
HSH Gudme	Jesper Ilsøe	jil@gr.dk
Jyske Bank	Casper Albæk	casperalbæk@jyskebank.dk
Enskilda Securities	Jeff Saul	jeff.saul.enskilda.dk
Standard & Poor's	Daniels Schmidt	daniel_schmidt@standardandpoors.com
ABG Sundal Collier	Claus Almer	claus.almer@abgsc.com
Alm Brand Børs	Andreas Bernhoft	andreas.bernhoft@almbrand.dk

ANNUAL GENERAL MEETING

The annual general meeting will be held on Wednesday 26 October 2005 at 3.00 p.m. at "Den Sorte Diamant", Søren Kirkegaards Plads 1, DK-1221 Copenhagen K.

As required by the Company's articles of association, the agenda of the annual general meeting will be:

1. Report by the Board of Directors on the activities of the Company.
2. Presentation of the Annual Report with the auditors' report and approval of the Annual Report
3. Resolution as to the application of the profit, including the declaration of dividends, or for the treatment of the loss according to the approved Annual Report.
4. Election of members to the Board of Directors.
5. Appointment of auditors.
6. Authority to the Board of Directors to acquire for the Company up to 10% of the Company's shares during the period until the next annual general meeting at market price +/- 10%
7. Any other business

ANNOUNCEMENTS TO THE COPENHAGEN STOCK EXCHANGE

The following announcements were released to the Copenhagen Stock Exchange during the 2004/05 financial year:

2004

18/2004 – 27 July	Financial calendar 2004/05
19/2004 – 20 September	Annual Report and information meeting
20/2004 – 28 September	Annual Report 2003/04
21/2004 – 27 October	Capital increase as a result of exercise of warrants
22/2004 – 27 October	Annual general meeting
23/2004 – 28 October	Change in management
24/2004 – 28 October	Quarterly statement of shareholdings
25/2004 – 2 November	Q1 report 2004/05
26/2004 – 9 November	Information from the Chairmanship
27/2004 – 15 November	Q1 announcement and information meeting
28/2004 – 24 November	Management change and Q1 report 2004/05

29/2004 – 25 November	Announcement of change of Board of Directors
30/2004 – 26 November	Current statement of shareholdings
31/2004 – 29 November	Current statement of shareholdings
32/2004 – 1 December	Current statement of shareholdings
33/2004 – 2 December	Current statement of shareholdings
34/2004 – 2 December	Extraordinary general meeting
35/2004 – 7 December	Current statement of shareholdings
36/2004 – 9 December	Appointments
37/2004 – 20 December	Current statement of shareholdings
38/2004 – 23 December	Current statement of shareholdings
39/2004 – 23 December	Current statement of shareholdings
2005	
01/2005 – 4 February	Change in management
02/2005 – 7 February	Election of new board members
03/2005 – 9 February	Interim report 2004/05 and information meeting
04/2005 – 16 February	H1 Report 2004/05
05/2005 – 16 February	Current statement of shareholdings
06/2005 – 18 February	Current statement of shareholdings
07/2005 – 21 February	Current statement of shareholdings
08/2005 – 23 February	Extraordinary general meeting
09/2005 – 2 March	Retail Division
10/2005 – 3 March	Revised financial calendar 2004/05
11/2005 – 17 March	Current statement of shareholdings
12/2005 – 18 March	Current statement of shareholdings
13/2005 – 18 March	Quarterly statement of shareholdings
14/2005 – 5 April	Profit for the period 1 July 2004 – 28 February 2005 and increase of full-year forecast
15/2005 – 18 April	Resolution to implement share-based incentive plans
16/2005 – 19 April	Report on transactions in the Company's shares and related securities by officers of IC Companys and connected persons
17/2005 – 17 May	3rd quarter announcement 2004/05 and information meeting
18/2005 – 20 May	Q3 Interim Report 2004/05
19/2005 – 1 June	Employee share offer
20/2005 – 1 June	Report on transactions in the Company's shares and related securities by officers of IC Companys and connected persons
21/2005 – 15 June	Divestment of Sir of Sweden to G. Falbe-Hansen A/S
Financial calendar	
26 October 2005:	Expected date of annual general meeting
24 November 2005:	Expected release of Q1 report
23 February 2006:	Expected release of H1 report
19 May 2006:	Expected release of Q3 report
21 September 2006:	Expected release of Annual Report
26 October 2006:	Expected date of annual general meeting

BOARD OF DIRECTORS, EXECUTIVE BOARD AND OTHER EXECUTIVES

BOARD OF DIRECTORS

Niels Erik Martinsen Chairman	President & CEO of Friheden Invest A/S <i>Member of the Board of Directors of: Friheden Invest A/S</i>
Ole Wengel Deputy Chairman	President & CEO of Pinus Møller Holding A/S
Anders Colding Friis	Group Chief Executive of Skandinavisk Tobakskompagni A/S and President & CEO of House of Prince A/S <i>Member of the Boards of Directors of: Monberg & Thorsen A/S, Dyrup A/S, Orlik Tobacco Company A/S</i>
Henrik Heideby	President & CEO of PFA Holding and PFA Pension <i>Member of the Board of Director of: Unomedical A/S</i>
Leif Juul Jørgensen	<i>Chairman of the Board of Directors of: MAN B&W Diesel A/S. Deputy Chairman of the Board of Directors of: Scandlines AG, Kraks Forlag A/S, Virk A/S Member of the Boards of Directors of: Burmeister & Wain Scandinavian Contractors A/S, Samsølinien A/S, MAN B&W Diesel A.G., International Shipping Partners Inc.</i>
Niels Hermansen	<i>Chairman of the Board of Directors of: R. Færch Plast A/S, Fredericia Furniture A/S, Kühnel Design A/S Deputy Chairman of the Board of Directors of: Danish Design Centre</i>

EXECUTIVE BOARD

Henrik Theilbjørn	President & CEO
Mikkel V. Olesen	Executive Vice President

FUNCTIONAL DIRECTORS

Chris Bigler	Chief Financial Officer
Claus S. Juul	Sales Director, Wholesale
Henrik la Cour	Sales Director, Concept Sales
Peter Hansen	Director, Supply Chain

FUNCTIONAL DIRECTORS, cont'd

Claus Bendixen	Brand Director, Matinique
Anders Cleemann	Brand Director, Part Two
Kaja Møller	Brand Director, InWear
Ed Renner	Brand Director, Cottonfield
Angelique de Rond	Brand Director, Jackpot
Malene Birger	Brand Director, By Malene Birger
Niels Eskildsen	Brand Director, Soaked in Luxury and Designers Remix Collection
Niels-Henrik Henriksen	Brand Director, Saint Tropez
Jonas Ottosson	Brand Director, Peak Performance
Roger Tjernberg	Brand Director, Tiger of Sweden

AUDITORS

Deloitte Statsautoriseret Revisionsaktieselskab
Ernst & Young Statsautoriseret Revisionsaktieselskab

DEFINITIONS OF KEY RATIOS

EBITDA margin (%)	=	$\frac{\text{Operating profit before depreciation, amortisation and special items}}{\text{Revenue}}$
EBIT margin (%)	=	$\frac{\text{Operating profit before special items}}{\text{Revenue}}$
Gross margin (%)	=	$\frac{\text{Gross profit}}{\text{Revenue}}$
Net interest-bearing debt	=	Short-term and long-term debt to financial institutions and lease debt less cash and cash equivalents
Average invested capital including goodwill	=	Net average working capital plus intangible assets and property, plant and equipment less provisions. Goodwill included represents total purchased goodwill before accumulated amortisation and after writedown for impairment.
Return on capital employed (%)	=	$\frac{\text{Operating profit before amortisation of goodwill and special items}}{\text{Average capital employed including goodwill}}$
Earnings per share, diluted	=	$\frac{\text{Profit for the year}}{\text{Average number of shares excluding treasury shares, diluted}}$
Cash flow per share, diluted	=	$\frac{\text{Cash flow from operating activities}}{\text{Average number of shares excluding treasury shares, diluted}}$
Net asset value per share, diluted	=	$\frac{\text{Equity at year-end}}{\text{Number of shares at year-end excluding treasury shares, diluted}}$
Return on equity (%)	=	$\frac{\text{Profit for the year}}{\text{Average equity}}$
Equity ratio (%)	=	$\frac{\text{Equity at year-end}}{\text{Total equity and liabilities at year-end}}$
Gearing (%)	=	$\frac{\text{Net interest-bearing debt}}{\text{Equity at year-end}}$
Price/earnings, diluted	=	$\frac{\text{Market price per share at year-end}}{\text{Earnings per share, diluted}}$
Segment profit/(loss)	=	Segment revenue less cost of sales and selling and distribution costs and administrative expenses attributable to the segment.

GROUP STRUCTURE AS AT 30 JUNE 2005

Company	Country	Currency	Share capital in '000
100% owned subsidiaries:			
IC Companys Danmark A/S	Denmark	DKK	18,000
Retailselskabet af 14. april 1999 A/S	Denmark	DKK	1,000
IC Companys Danmark Retail ApS	Denmark	DKK	125
Saint Tropez af 1993 A/S	Denmark	DKK	500
Brand Farm A/S	Denmark	DKK	500
IC Companys Norway AS	Norway	NOK	9,900
ICe Companys Sweden AB	Sweden	SEK	10,000
Tiger of Sweden AB	Sweden	SEK	501
SIR Garwood AB	Sweden	SEK	1,600
Vingåker Factory Outlet AB	Sweden	SEK	200
Tiger of Sweden Produktion AB	Sweden	SEK	4,000
Carli Gry International Sweden AB	Sweden	SEK	100,000
Peak Performance AB	Sweden	SEK	2,645
Peak Performance Production AB	Sweden	SEK	400
IC Companys Finland Oy	Finland	EUR	403
IC Companys Holding & Distributie B.V.	Netherlands	EUR	2,269
IC Companys Nederland B.V.	Netherlands	EUR	39
IC Companys Belgium N.V.	Belgium	EUR	3,305
IC Companys (UK) Ltd.	UK	GBP	4,350
Carli Gry Germany G.m.b.H.	Germany	EUR	26
IC Companys Germany G.m.b.H.	Germany	EUR	1,432
IC Companys Austria G.m.b.H.	Austria	EUR	413
IC Companys AG	Switzerland	CHF	3,101
IC Companys Spain S.A.	Spain	EUR	60
IC Companys Portugal Lda.	Portugal	EUR	225
IC Companys France S.A.	France	EUR	457
IC Companys Canada Inc.	Canada	CAD	2,200
IC Companys Poland Sp. Z o.o.	Poland	PLN	126
IC Companys Hungary Kft.	Hungary	HUF	10,546
IC Companys Cz s.r.o.	Czech Rep.	CZK	2,000
IC Companys Hong Kong Ltd.	Hong Kong	HKD	10,000
IC Companys Shanghai Ltd.	China	CNY	5,289
IC Companys Romania SRL	Romania	ROL	1,013
Peak Performance Italy SRL	Italy	EUR	10
51% owned subsidiary:			
By Malene Birger A/S	Denmark	DKK	500