

INTERIM REPORT FOR THE PERIOD 1 JULY 2017 TO 30 SEPTEMBER 2017

Consolidated revenue for Q1 2017/18 amounted to DKK 810 million (DKK 851 million) corresponding to a reduction of 4.8% or 4.4% measured in local currency. Revenue decreased in the wholesale channel whereas the retail channel reported increased revenue driven by higher same-store revenue as well as the full-year effect from new stores. The gross margin amounted to 58.3% compared to 56.1% reported last financial year. Costs decreased by DKK 10 million whereas the cost ratio increased to 41.0% (40.2%). The consolidated operating profit for Q1 2017/18 amounted to DKK 140 million (DKK 135 million) resulting in an EBIT margin of 17.3% compared to 15.9% for Q1 2016/17.

We retain the outlook for the financial year 2017/18 as announced on 31 August 2017.

Financial Performance Q1

	Revenue DKK million		Revenue growth		Operating profit DKK million		EBIT margin	
	Q1 2017/18	Q1 2016/17	Growth in local currency	Reported growth	Q1 2017/18	Q1 2016/17	Q1 2017/18	Q1 2016/17
Peak Performance	346	348	0.0%	(0.6%)	72	62	20.8%	17.8%
Tiger of Sweden	266	289	(7.5%)	(8.0%)	47	55	17.7%	19.0%
By Malene Birger	96	99	(2.5%)	(3.0%)	8	4	8.3%	4.0%
Premium brands	708	736	(3.3%)	(3.8%)	127	121	17.9%	16.4%
Other brands	102	115	(11.2%)	(11.3%)	3	13	2.9%	11.3%
Reportable segments	810	851	(4.4%)	(4.8%)	130	134	16.0%	15.7%
Unallocated items and eliminations	-	-	n.m	n.m	10	1	n.m	n.m
Total	810	851	(4.4%)	(4.8%)	140	135	17.3%	15.9%

Segment performance for Q1

- Peak Performance generated revenue for Q1 2017/18 of DKK 346 million (DKK 348 million) corresponding to a reduction of 0.6% (0.0% measured in local currency). The retail channel reported a revenue increase which consequently means that the revenue reduction was driven by the wholesale channel due to timing of deliveries. The operating profit amounted to DKK 72 million (DKK 62 million) corresponding to an EBIT margin of 20.8% (17.8%). The improved margin is attributable to a higher gross margin.
- Tiger of Sweden generated revenue for Q1 2017/18 of DKK 266 million (DKK 289 million) thus corresponding to a decrease of 8.0% (7.5% measured in local currency). Revenue from the wholesale channel declined due to lower order intake on the autumn collections whereas revenue from the retail channel increased. The operating profit amounted to DKK 47 million (DKK 55 million), and the EBIT margin thus declined to 17.7% (19.0%) as a consequence of a higher cost ratio.
- By Malene Birger generated revenue for Q1 2017/18 of DKK 96 million (DKK 99 million) corresponding to a decline of 3.0% (2.5% measured in local currency). This revenue reduction was primarily attributable to lower order intake whereas the retail revenue increased. The operating profit amounted to DKK 8 million (DKK 4 million), and the EBIT margin improved to 8.3% (4.0%) due to a higher gross margin.
- Revenue from the Group's Other brands decreased by 11.3% (11.2% measured in local currency) to DKK 102 million for Q1 2017/18 (DKK 115 million) driven by Saint Tropez. The operating profit amounted to DKK 3 million (DKK 13 million) resulting in an EBIT margin of 2.9% (11.3%).

Group performance for Q1

- Consolidated revenue amounted to DKK 810 million (DKK 851 million) corresponding to a reduction of 4.8% (reduction of 4.4% measured in local currency). This reduction was driven by the wholesale channel, in particular by Tiger of Sweden, whereas revenue from the retail channel increased as a consequence of higher revenue from physical stores, high e-commerce growth as well as the full-year effect from stores opened within the past twelve months. During Q1 2017/18, the total number of stores was reduced by 6 primarily attributable to store closures in Saint Tropez.
- The gross profit amounted to DKK 472 million (DKK 477 million) whereas the gross margin increased to 58.3% (56.1%) which was primarily attributable to improved product margins as well as a larger share of sales through own channels.
- Capacity costs declined by DKK 10 million to DKK 332 million compared to Q1 2016/17. This reduction is, inter alia, attributable to the effect of the implemented structural changes during Q3 2016/17. However, the cost ratio increased to 41.0% (40.2%) as a consequence of the lower revenue.
- The consolidated operating profit for Q1 2017/18 amounted to DKK 140 million (DKK 135 million) corresponding to an EBIT margin of 17.3% compared to 15.9% for Q1 2016/17.
- The working capital amounted to DKK 565 million corresponding to a decline of DKK 114 million compared to last financial year and constituted 20.9% of the trailing twelve months revenue compared to 25.4% for the same period last financial year.

Unchanged outlook for the financial year 2017/18

For the Group as a whole, we expect to realize a minor revenue reduction compared to the financial year 2016/17 and an EBIT margin of approx. 5%.

A moderate revenue and earnings growth is expected in Peak Performance. In Tiger of Sweden revenue is expected to decline while earnings are expected to be significantly reduced compared to last financial year. We expect a moderate revenue decline but significant earnings improvement in By Malene Birger.

Investments for the financial year 2017/18 are expected to be in the region of 3-4% of annual revenue.

Strategic review process of Peak Performance

As communicated in Company Announcement no. 22/2017 dated 5 October 2017, the Group has initiated a strategic review process of Peak Performance. The purpose of this process is, inter alia, to identify whether IC Group – either partial or in full – also serves as the best owner of Peak Performance in the future.

The process is on schedule, however, yet at an early stage. The Group has no further comments.

Copenhagen, 14 November 2017

IC Group A/S

Alexander Martensen-Larsen
CEO

Information Meeting

IC Group will host an information meeting for investors, analysts and other stakeholders on Tuesday 14 November 2017 at 10.00 a.m. The information meeting will be held in English via audio cast and telephone, and it will be possible to raise questions online using the chat function or telephone. To participate in the information meeting online, please use the link below which is also available on our corporate website icgroup.net under Investors/calendar-events/: <https://edge.media-server.com/m6/p/xmkj5fda>

To participate in the telephone conference, please dial in using the below-listed telephone numbers:

+45 3271 1659 (Denmark)

+1 646 254 3388 (USA)

+44 (0) 20 3427 1919 (UK)

Forward-looking statements

This interim report contains forward-looking statements, including statements regarding the Group's future operating profit, financial position, inventory, cash flows, Group and brand strategies as well as plans for the future. Forward-looking statements include, without limitation, any statement that may predict, indicate or imply future results, performance or achievements, and may contain the words "believes", "expects", "estimates", "projects", "plans", "anticipates", "continues" and "intends" or any variations of such words or other words with similar meaning. The statements are based on Management's reasonable expectations and forecasts at the time of disclosure of the interim report. Any such statements are subject to risks and uncertainties, and a number of different factors of which many are beyond IC Group A/S' control can mean that the actual development and actual result will differ significantly from the expectations contained in the interim report. Without being exhaustive, such factors include general economics and commercial factors, including market and competitive matters, supplier issues and financial issues. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

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 million	Q1 2017/18 3 months	Q1 2016/17 3 months	Year 2016/17 12 months
INCOME STATEMENT			
Revenue	810	851	2,749
Gross profit	472	477	1,519
Operating profit before depreciation and amortization (EBITDA)	158	152	205
Operating profit (EBIT)	140	135	125
Net financials	7	3	(3)
Profit for the period before tax	147	138	122
Profit for the period	113	105	92
STATEMENT OF FINANCIAL POSITION			
Total assets	1,594	1,721	1,393
Average invested capital including goodwill	1,042	1,026	772
Net working capital	565	679	318
Total equity	718	751	723
Non-controlling interest	13	8	10
Net interest-bearing debt, end of period	141	259	17
STATEMENT OF CASH FLOW			
Cash flow from operating activities	(108)	(219)	175
Cash flow from investing activities	(16)	(19)	(88)
Investments in property, plant and equipment	(14)	(15)	(72)
Free cash flow	(124)	(238)	87
Cash flow from financing activities	-	4	(79)
Net cash flow for the period	(124)	(234)	8
KEY RATIOS (%)			
Revenue growth	(4.8)	0.9	3.2
Gross margin	58.3	56.1	55.3
Cost ratio	41.0	40.2	50.7
EBITDA margin	19.5	17.9	7.5
EBIT margin	17.3	15.9	4.5
Tax rate	23.1	23.9	24.0
Return on equity	15.5	14.1	12.2
Equity ratio	45.0	43.7	51.9
Return on invested capital ¹⁾	12.5	20.9	16.2
Net working capital in proportion to revenue ²⁾	20.9	25.4	11.6
Cash conversion	7.4	(1.8)	0.7
Financial gearing	19.6	34.5	2.4
SHARE-BASED RATIOS			
Average number of shares excluding treasury shares, diluted (1,000)	16,648	16,683	16,639
Share price, end of period, DKK	136.5	165.0	140.0
Earnings per share, DKK	6.6	6.2	5.3
Diluted earnings per share, DKK	6.6	6.2	5.3
Diluted cash flow per share, DKK	(6.5)	(13.1)	10.5
Diluted net asset value per share, DKK	42.3	44.5	42.9
Diluted price/earnings, DKK	20.7	26.6	26.4
EMPLOYEES			
Number of employees (calculated as FTEs, end of period)	1,197	1,190	1,186
NUMBER OF STORES (OWN STORES)			
Retail stores	120	113	126
Concessions	43	42	43

1) Return on invested capital is calculated as trailing twelve months EBIT's share of invested capital.

2) Trailing twelve months revenue.

Key ratios have been calculated according to the recommendations set out in "Recommendations & Financial Ratios 2015" issued by the Danish Society of Financial Analysts.

FINANCIAL PERFORMANCE

PeakPerformance

Peak Performance has its origin in alpine skiing and is one of the largest manufacturers of technical and functional sports and fashion wear in the Nordic region today. Learn more about Peak Performance at: peakperformance.com

Financial performance of Peak Performance

Peak Performance generated revenue of DKK 346 million for Q1 2017/18 (DKK 348 million) corresponding to a reduction of 0.6% (0.0% measured in local currency). The reduction was driven by the wholesale channel which generated a revenue of DKK 254 million compared to DKK 274 million last financial year. Revenue was negatively affected by timing of deliveries between Q1 and Q2 of approx. DKK 30 million. Revenue from the retail channel increased by 24.3% to DKK 92 million (DKK 74 million). This development was primarily driven by new stores but also by the same-store growth rate of 4.7% driven by e-commerce as well as physical stores.

During Q1 2017/18, Peak Performance converted the last two franchise stores in Sweden into own retail stores, meaning that all stores in Sweden are now owned by Peak Performance.

Revenue from the Nordic region increased driven by Sweden and Norway whereas revenue from outside the Nordic region declined.

The gross margin for Q1 2017/18 was improved driven by higher margins on sold products as well as a larger share of sales through own channels. Costs increased which is to a great extent attributable to the full-year effect from stores opened during the financial year 2016/17 as well as the two stores opened during Q1 2017/18.

The operating profit for Q1 2017/18 amounted to DKK 72 million (DKK 62 million). The EBIT margin increased by 3.0 percentage points to 20.8% attributable to a higher gross margin.

DKK million	Q1 2017/18 3 months	Q1 2016/17 3 months	Change, %
Revenue	346	348	(0.6)
Wholesale and franchise	254	274	(7.3)
Retail, e-commerce and outlets	92	74	24.3
Revenue growth in local currency (%)	-		
Same-store growth (%)	4.7		
Operating profit before depreciation and amortization (EBITDA)	77	67	14.9
EBITDA margin (%)	22.3	19.3	
Depreciations, amortization and impairment losses	(5)	(5)	-
Operating profit (EBIT)	72	62	16.1
EBIT margin (%)	20.8	17.8	

Own stores	Number of stores 30 Sep. 2017	Number of stores 30 Sep. 2016	Change
Retail stores	49	38	11
Concessions	1	1	-
Total	50	39	11



Tiger of Sweden is strongly rooted in the classic tailoring traditions, manufacturing fashion wear for men and women with a strong and confident profile characterized by "a different cut". Learn more about Tiger of Sweden: tigerofsweden.com

Financial performance of Tiger of Sweden

Revenue in Tiger of Sweden declined by 8.0% (7.5% measured in local currency) for Q1 2017/18 and amounted to DKK 266 million compared to DKK 289 million in Q1 2016/17. This reduced revenue was driven by the wholesale channel where lower order intake led to a revenue decline of 16.5% compared to the same period last financial year. On the other hand, revenue from the retail channel increased by 9.5% primarily driven by higher same-store revenue in physical stores as well as e-commerce. The same-store revenue increased by 11.9% for Q1 2017/18.

During Q1 2017/18, Tiger of Sweden closed one Tiger Jeans pop-up store located in Copenhagen.

The reduced order intake for Q1 2017/18 was generally reported in all of Tiger of Sweden's primary markets, and revenue from both the Nordic region as well as outside the Nordic region declined. However, revenue from the German market for Q1 2017/18 was at the same level as last financial year.

The gross margin for Q1 2017/18 was marginally improved compared to last financial year while costs declined. However, the reduced cost level was not able to fully compensate the revenue reduction, and consequently the cost ratio increased.

The operating profit for Q1 2017/18 amounted to DKK 47 million compared to DKK 55 million for Q1 2016/17. The EBIT margin declined by 1.3 percentage points to 17.7% driven by the higher cost ratio.

DKK million	Q1 2017/18 3 months	Q1 2016/17 3 months	Change, %
Revenue	266	289	(8.0)
Wholesale and franchise	162	194	(16.5)
Retail, e-commerce and outlets*	104	95	9.5
Revenue growth in local currency (%)	(7.5)		
Same-store growth (%)	11.9		
Operating profit before depreciation and amortization (EBITDA)	52	59	(11.9)
EBITDA margin (%)	19.5	20.4	
Depreciations, amortization and impairment losses	(5)	(4)	25.0
Operating profit (EBIT)	47	55	(14.5)
EBIT margin (%)	17.7	19.0	

*revenue from Vinåker Factory Outlet (multibrand outlet) accounted for DKK 48 million in Q1 2017/18 (DKK 46 million).

Own stores	Number of stores 30 Sep. 2017	Number of stores 30 Sep. 2016	Change
Retail stores	21	20	1
Concessions	19	19	-
Total	40	39	1

BY MALENE BIRGER

By Malene Birger is a Danish high-profile design brand with an international appeal offering affordable luxury to women. Learn more about By Malene Birger at: bymalenebirger.com

Financial performance of By Malene Birger

Revenue for Q1 2017/18 decreased by 3.0% (2.5% measured in local currency) to DKK 96 million (DKK 99 million). This decline was driven by a revenue reduction in the wholesale channel of 9.3% due to lower order intake on the autumn collection. On the other hand, revenue from the retail channel increased by 16.7% driven by a higher same-store revenue from physical stores as well as e-commerce. The same-store growth rate amounted to 18.5%.

Revenue from the Nordic region increased and revenue from Rest of Europe remained at the same level whereas revenue from outside Europe declined driven by Japan and the Middle East.

The gross margin increased during Q1 2017/18 due to improved product margins, lower discounts as well as a larger share of sales through own channels. Costs declined, and the cost ratio was consequently lower compared to last financial year. However, costs for Q1 2016/17 were affected by consultancy costs of DKK 4 million in connection with a comprehensive brand and positioning analysis.

The operating profit for Q1 2017/18 increased by DKK 4 million to DKK 8 million. The EBIT margin was improved by 4.3 percentage points to 8.3% as a consequence of the higher gross margin.

DKK million	Q1 2017/18 3 months	Q1 2016/17 3 months	Change, %
Revenue	96	99	(3.0)
Wholesale and franchise	68	75	(9.3)
Retail, e-commerce and outlets	28	24	16.7
Revenue growth in local currency (%)	(2.5)		
Same-store growth (%)	18.5		
Operating profit before depreciation and amortization (EBITDA)	10	6	66.7
EBITDA margin (%)	10.4	6.1	
Depreciations, amortization and impairment losses	(2)	(2)	-
Operating profit (EBIT)	8	4	100.0
EBIT margin (%)	8.3	4.0	

Own stores	Number of stores 30 Sep. 2017	Number of stores 30 Sep. 2016	Change
Retail stores	9	9	-
Concessions	6	6	-
Total	15	15	-

The Group

Revenue

Consolidated revenue for Q1 2017/18 amounted to DKK 810 million (DKK 851 million) corresponding to a reduction of 4.8% (reduction of 4.4% measured in local currency). This reduction was primarily driven by Tiger of Sweden but Other brands also contributed to this reduction. Revenue from Other brands declined to DKK 102 million (DKK 115 million) corresponding to a reduction of 11.3% (reduction of 11.2% measured in local currency) mainly driven by Saint Tropez.

This revenue reduction was driven by the wholesale channel which reported lower order intake compared to last financial year. Revenue from the wholesale channel amounted to DKK 546 million compared to DKK 610 million last financial year corresponding to a decline of 10.5%. On the other hand, revenue from the retail channel increased by 9.5% which is attributable to higher same-store revenue from the physical stores, high e-commerce growth as well as the full-year effect from stores opened during the past twelve months. The same-store growth amounted to 2.9% driven by high e-commerce growth as well as higher revenue from physical stores in all three Premium brands. The same-store revenue from the group's Other brands declined which is attributable to the development in Saint Tropez' physical stores.

During Q1 2017/18, Peak Performance converted two franchise stores into own retail stores whereas Tiger of Sweden closed one store and Saint Tropez closed seven stores.

Gross profit

The gross profit for Q1 2017/18 decreased by DKK 5 million to DKK 472 million whereas the gross margin improved by 2.2 percentage points to 58.3%. The improved gross margin is primarily a combination of higher margins on sold products as well as a larger share of revenue from own channels compared to last financial year.

Capacity costs

Capacity costs for Q1 2017/18 declined by DKK 10 million to DKK 332 million which, among others, is attributable to the implemented structural changes during Q3 2016/17. The cost ratio increased to 41.0% compared to 40.2% in Q1 2016/17 due to the reduced revenue.

Operating profit (EBIT)

Consolidated operating profit for Q1 2017/18 amounted to DKK 140 million compared to DKK 135 million for Q1 2016/17 corresponding to an EBIT margin of 17.3% compared to 15.9% for the same period last financial year. This improvement is attributable to a higher gross margin.

Profit for the period

Consolidated profit for Q1 2017/18 amounted to DKK 113 million (DKK 105 million).

Net working capital

As at 30 September 2017, the working capital amounted to DKK 565 million corresponding to a decrease of DKK 114 million compared to last financial year primarily driven by lower inventories as a consequence of adjusting the amount of products on stock as well as lower trade receivables partly due to lower sales in the wholesale channel. The working capital constituted 20.9% of the trailing twelve months revenue compared to 25.4% for the same period last financial year.

Statement of cash flows

Cash flow from operating activities for Q1 2017/18 amounted to an outflow of DKK 108 million which is an improvement of DKK 111 million compared to the same period last financial year. The development is primarily attributable to the lower tied-up working capital. Cash flow from investing activities amounted to an outflow of DKK 16 million (an outflow of DKK 19 million). Investments have mainly been placed in existing stores as well as in the Group's Logistics function. Consolidated free cash flow thus amounted to an outflow of DKK 124 million (an outflow of DKK 238 million).

Changes in equity and equity ratio

Equity as at 30 September 2017 amounted to DKK 718 million (30 June 2017: DKK 723 million). This development was primarily driven by a combination of profit for the period as well as declared dividend. Subsequently, the equity ratio as at 30 September 2017 amounted to 45.0% (30 June 2017: 51.9%).

CONSOLIDATED INCOME STATEMENT

Note	DKK million	Q1 2017/18 3 months	Q1 2016/17 3 months	Year 2016/17 12 months
4	Revenue	810	851	2,749
	Cost of sales	(338)	(374)	(1,230)
	Gross profit	472	477	1,519
	Other external costs	(164)	(172)	(674)
	Staff costs	(151)	(153)	(640)
	Other operating income	1	-	-
	Operating profit before depreciation and amortization (EBITDA)	158	152	205
	Depreciation, amortization and impairment losses	(18)	(17)	(80)
	Operating profit (EBIT)	140	135	125
	Financial income	8	5	8
	Financial costs	(1)	(2)	(11)
	Profit before tax	147	138	122
	Tax on profit for the period	(34)	(33)	(30)
	Profit for the period	113	105	92
	Profit allocation:			
	Shareholders of IC Group A/S	110	104	89
	Non-controlling interests	3	1	3
	Profit for the period	113	105	92
	Earnings per share, DKK	6.6	6.2	5.3
	Diluted earnings per share, DKK	6.6	6.2	5.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	DKK million	Q1 2017/18 3 months	Q1 2016/17 3 months	Year 2016/17 12 months
	Profit for the period	113	105	92
	OTHER COMPREHENSIVE INCOME			
	<i>Items to be reclassified to the income statement when certain conditions are met:</i>			
	<i>Hedging transactions:</i>			
	Fair value adjustments, gain/loss on financial instruments related to cash flow hedges	(26)	4	(18)
	Reclassification to income statement, gains/loss on financial instruments related to realized cash flow hedges	(10)	(14)	(11)
	Tax on hedging transactions which may be reclassified to the income statement	8	2	6
	<i>Foreign currency translation adjustments:</i>			
	Foreign currency translation adjustments, foreign subsidiaries and intercompany loans	(5)	(5)	(6)
	Actuarial adjustments	-	-	1
	Other comprehensive income after tax	(33)	(13)	(28)
	Total comprehensive income	80	92	64
	Allocation of comprehensive income for the period:			
	Shareholders of IC Group A/S	77	91	61
	Non-controlling interests	3	1	3
	Total	80	92	64

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	DKK million	30 Sep. 2017	30 Sep. 2016	30 June 2017
	ASSETS			
	NON-CURRENT ASSETS			
	Intangible assets	243	259	246
	Property, plant and equipment	150	136	149
	Financial assets	22	21	22
	Deferred tax	69	56	61
	Total non-current assets	484	472	478
	CURRENT ASSETS			
5	Inventories	406	461	394
6	Trade receivables	496	542	277
	Tax receivable	65	64	49
	Other receivables	20	45	32
	Prepayments	56	65	94
7	Cash and cash equivalents	67	72	69
	Total current assets	1,110	1,249	915
	TOTAL ASSETS	1,594	1,721	1,393

Note	DKK million	30 Sep. 2017	30 Sep. 2016	30 June 2017
	EQUITY AND LIABILITIES			
	EQUITY			
	Share capital	171	171	171
	Reserve for hedging transactions	(37)	6	(9)
	Translation reserve	(73)	(67)	(68)
	Retained earnings	644	633	619
	Equity attributable to shareholders of the Parent Company	705	743	713
	Equity attributable to non-controlling interests	13	8	10
	Total equity	718	751	723
	LIABILITIES			
	Retirement benefit obligations	8	9	8
	Deferred tax	7	11	7
	Provisions	7	6	11
	Other liabilities	2	-	-
	Total non-current liabilities	24	26	26
7	Current liabilities to credit institutions	208	331	86
	Trade payables	194	199	276
	Tax payable	40	69	10
	Other liabilities	278	231	223
	Provisions	47	29	49
	Declared dividend	85	85	-
	Total current liabilities	852	944	644
	Total liabilities	876	970	670
	TOTAL EQUITY AND LIABILITIES	1,594	1,721	1,393

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK million	Share Capital	Reserve for hedging transactions	Translation reserve	Retained earnings	Proposed dividend	Equity owned by shareholders of ICG A/S	Equity owned by non-controlling interests	Total equity
Equity at 1 July 2017	171	(9)	(68)	534	85	713	10	723
Profit for the period	-	-	-	110	-	110	3	113
Other comprehensive income after tax	-	(28)	(5)	-	-	(33)	-	(33)
Total comprehensive income	-	(28)	(5)	110	-	77	3	80
Transactions with owners:								
Declared dividend	-	-	-	-	(85)	(85)	-	(85)
Changes in equity during the period	-	(28)	(5)	110	(85)	(8)	3	(5)
Equity at 30 September 2017	171	(37)	(73)	644	-	705	13	718

DKK million	Share Capital	Reserve for hedging transactions	Translation reserve	Retained earnings	Proposed dividend	Equity owned by shareholders of ICG A/S	Equity owned by non-controlling interests	Total equity
Equity at 1 July 2016	171	14	(62)	525	85	733	7	740
Profit for the period	-	-	-	104	-	104	1	105
Other comprehensive income after tax	-	(8)	(5)	-	-	(13)	-	(13)
Total comprehensive income	-	(8)	(5)	104	-	91	1	92
Transactions with owners:								
Declared dividend	-	-	-	-	(85)	(85)	-	(85)
Exercise of warrants ¹⁾	-	-	-	4	-	4	-	4
Changes in equity during the period	-	(8)	(5)	108	(85)	10	1	11
Equity at 30 September 2016	171	6	(67)	633	-	743	8	751

DKK million	Shares
DEVELOPMENT IN TREASURY SHARES	
Treasury shares at 1 July 2017	442,572
Treasury shares at 30 September 2017	442,572

- 1) As announced in Company Announcement no. 17/2016, the Company's share capital was increased by DKK 346,110 due to exercise of warrants. The capital increase corresponded to 0.2% of the share capital. After the capital increase, IC Group A/S' share capital amounts to nominally DKK 170,908,580.

In October 2017, the Company distributed an ordinary dividend of approx. DKK 85 million (DKK 85 million) corresponding to DKK 5 per share (DKK 5 per share).

CONSOLIDATED STATEMENT OF CASH FLOWS

Note	DKK million	Q1 2017/18 3 months	Q1 2016/17 3 months	Year 2016/17 12 months
	CASH FLOW FROM OPERATING ACTIVITIES			
	Operating profit	140	135	125
	Other adjustments	21	32	124
	Change in working capital	(247)	(367)	(9)
	Cash flow from ordinary operating activities	(86)	(200)	240
	Financial income received	-	1	4
	Financial costs paid	(1)	(1)	(5)
	Cash flow from operating activities	(87)	(200)	239
	Tax paid	(21)	(19)	(64)
	Total cash flow from operating activities	(108)	(219)	175
	CASH FLOW FROM INVESTING ACTIVITIES			
	Investments in intangible assets	(2)	(6)	(17)
	Investments in property, plant and equipment	(14)	(15)	(72)
	Change in other financial assets	-	2	1
	Total cash flow from investing activities	(16)	(19)	(88)
	Total free cash flow	(124)	(238)	87
	CASH FLOW FROM FINANCING ACTIVITIES			
	Dividends paid	-	-	(83)
	Exercise of warrants	-	4	4
	Total cash flow from financing activities	-	4	(79)
	NET CASH FLOW FOR THE PERIOD	(124)	(234)	8
	CASH AND CASH EQUIVALENTS			
	Cash and cash equivalents, beginning of period	(17)	(25)	(25)
	Net cash flow for the period	(124)	(234)	8
	Cash and cash equivalents, end of period	(141)	(259)	(17)
	DKK million	30 Sep. 2017	30 Sep. 2016	30 June 2017
	<i>Cash and cash equivalents in the statement of cash flows comprise:</i>			
	Cash	67	72	69
	Current liabilities to credit institutions	(208)	(331)	(86)
	Cash and cash equivalents, cf. statement of cash flows	(141)	(259)	(17)

NOTES

1. Accounting policies

This interim financial report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

The accounting policies applied in this interim report are unchanged as compared to the accounting policies applied in the Annual Report 2016/17 and are in accordance with the International Financial Reporting Standard (IFRS) as adopted by the EU. We refer to the Annual Report 2016/17 (chapter 1) for a detailed description of the accounting policies.

IC Group has implemented all new and amended standards (IFRS) and interpretations (IFRIC) as endorsed by the EU and which are effective for the financial year 1 July 2017 – 30 June 2018. This implementation has had no impact on the recognition and measurement of the Group's assets and liabilities.

IASB has issued and the EU has adopted IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" which both are effective for annual periods beginning on or after 1 January 2018. IC Group has assessed the impact of IFRS 9 and is currently assessing the impact of IFRS 15. IC Group will implement both standards for the financial year 2018/19. We refer to the Annual Report 2016/17 (chapter 1) for a detailed description of the new IFRS standards which have been adopted but not yet effective.

Furthermore, IASB has issued IFRS 16 "Leases" which is effective for annual periods beginning on or after 1 January 2019. The standard has not been adopted by the EU yet. IC Group is currently assessing the impact of this new standard but has already assessed that particularly the lease terms will have an impact on the income statement, cash flow as well as statement of financial position when lease assets and lease liabilities are recognized. We refer to the Annual Report 2016/17 (chapter 1) for a detailed description.

Significant accounting estimates and assumptions

In the preparation of this interim report, the Management of IC Group makes a number of significant accounting estimates and assumptions that may affect the reported values of assets, liabilities, income, costs, cash flows and related information at the reporting date. The accounting estimates and assumptions which Management considers to be material for the preparation and understanding of the interim report appear from chapter 1 of the Annual Report 2016/17 and relate to, e.g., intangible assets, inventories, trade receivables, provisions as well as tax.

2. Seasonality

The Group's business segments are influenced by seasonal fluctuations relating to seasonal deliveries to wholesale customers as well as a sales season of the Group's products that varies during the course of the year in the retail segment. The Group's wholesale peak quarters are historically Q1 and Q3, respectively. Revenue and operating profit before tax thus vary in the various reporting periods for which reason they are not necessarily indicative of future trends. The results of the individual quarters are therefore not reliable sources in terms of projecting the Group's development.

3. Fair value measurement

Financial instruments measured at fair value in the statement of financial position are divided into three levels in the fair value hierarchy:

- **Level 1** – Listed prices in an active market for identical instruments
- **Level 2** – Listed prices in an active market for identical assets and liabilities or other methods of measurement where all substantial inputs are based on market observables
- **Level 3** – Method of measurement where substantial inputs may not be based on market observables

DKK million	Item	30 Sep. 2017		30 Sep. 2016		30 June 2017	
		Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
Unlisted shares and bonds	Financial assets	-	7	-	8	-	8
Financial assets at fair value recognized through the income statement		-	7	-	8	-	8
Financial assets used for hedging purposes	Other receivables	10	-	26	-	21	-
Financial liabilities used for hedging purposes	Other liabilities	58	-	19	-	32	-

No transfers between the levels of the fair value hierarchy have taken place during Q1 2017/18.

4. Segment information

Business segments

Reporting to the Executive Board, which is considered to be the Chief Operating Decision Maker, is based on the Group's three core business units; Peak Performance, Tiger of Sweden and By Malene Birger. Other brands comprise Saint Tropez and Designers Remix.

Unallocated items and eliminations

In all material respects, "Unallocated items and eliminations" include;

- income and costs in Group functions which are not allocated to the Group's business segments;
- intercompany eliminations; and
- any differences arising between costs invoiced to Group brands and realized costs in the Group's Premium service functions.

DKK million	Peak Performance Q1 2017/18 3 months	Tiger of Sweden Q1 2017/18 3 months	By Malene Birger Q1 2017/18 3 months	Premium brands Q1 2017/18 3 months	Other brands Q1 2017/18 3 months	Total Q1 2017/18 3 months
Total revenue	346	266	96	708	102	810
Wholesale and franchise	254	162	68	484	62	546
Retail, e-commerce and outlets	92	104	28	224	40	264
Growth compared to 2016/17 (%)	(0.6)	(8.0)	(3.0)	(3.8)	(11.3)	(4.8)
Growth in local currency compared to 2016/17 (%)	-	(7.5)	(2.5)	(3.3)	(11.2)	(4.4)
Operating profit before depreciation and amortization (EBITDA)	77	52	10	139	5	144
EBITDA margin (%)	22.3	19.5	10.4	19.6	4.9	17.8
Depreciations, amortization and impairment losses	(5)	(5)	(2)	(12)	(2)	(14)
Operating profit (EBIT)	72	47	8	127	3	130
EBIT margin (%)	20.8	17.7	8.3	17.9	2.9	16.0
Reconciliation of segment information of continuing operations						
Operating profit (EBIT), reportable segments						130
Unallocated items and eliminations						10
Operating profit (EBIT)						140
Financial income						8
Financial costs						(1)
Profit before tax						147
Tax on profit for the period						(34)
Profit for the period						113

DKK million	Peak Performance Q1 2016/17 3 months	Tiger of Sweden Q1 2016/17 3 months	By Malene Birger Q1 2016/17 3 months	Premium brands Q1 2016/17 3 months	Other brands Q1 2016/17 3 months	Total Q1 2016/17 3 months
Total revenue	348	289	99	736	115	851
Wholesale and franchise	274	194	75	543	67	610
Retail, e-commerce and outlets	74	95	24	193	48	241
Operating profit before depreciation and amortization (EBITDA)	67	59	6	132	15	147
EBITDA margin (%)	19.3	20.4	6.1	17.9	13.0	17.3
Depreciations, amortization and impairment losses	(5)	(4)	(2)	(11)	(2)	(13)
Operating profit (EBIT)	62	55	4	121	13	134
EBIT margin (%)	17.8	19.0	4.0	16.4	11.3	15.7
Reconciliation of segment information of continuing operations						
Operating profit (EBIT), reportable segments						134
Unallocated items and eliminations						1
Operating profit (EBIT)						135
Financial income						5
Financial costs						(2)
Profit before tax						138
Tax on profit for the period						(33)
Profit for the period						105

DKK million	Q1 2017/18 3 months	Q1 2016/17 3 months
Segment revenue (reportable segments)	810	851
Unallocated items and eliminations	-	-
Total revenue, cf. income statement	810	851

5. Inventories

DKK million	30 Sep. 2017	30 Sep. 2016	30 June 2017
Raw material and consumables	34	44	40
Finished goods and goods for resale	389	421	346
Goods in transit	43	47	98
Total inventories, gross	466	512	484
Changes in inventory write-downs for the period:			
Write-downs at 1 July	90	57	57
Write-downs for the period, addition (recognized in the income statement)	4	6	56
Write-downs for the period, reversals (utilized)	(34)	(12)	(23)
Total inventory write-downs	60	51	90
Total inventories, net	406	461	394
Write-downs (%)	13	10	19

6. Trade receivables

DKK million	30 Sep. 2017	30 Sep. 2016	30 June 2017
Not yet due	432	474	220
Due, 1-60 days	44	43	37
Due, 61-120 days	4	4	4
Due more than 120 days	16	21	16
Total trade receivables, net	496	542	277
Change in trade receivables write-downs for the period:			
Write-downs at 1 July	29	26	26
Change in write-downs for the period	-	2	11
Realized loss for the period	(1)	-	(8)
Total write-downs	28	28	29

7. Net interest-bearing debt

DKK million	30 Sep. 2017	30 Sep. 2016	30 June 2017
Net interest-bearing debt comprises:			
Current liabilities to credit institutions	208	331	86
Interest-bearing debt, gross	208	331	86
Cash	67	72	69
Net interest-bearing debt	141	259	17

8. Events after the reporting period

As communicated in Company Announcement no. 22/2017, the Group has initiated a strategic review process of Peak Performance.

No material events have taken place after the reporting period that have not been recognized or otherwise included in this interim report.

STATEMENT BY THE MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the interim report of IC Group A/S for the period 1 July 2017 – 30 September 2017. This interim financial report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU, cf. chapter on accounting policies and additional Danish disclosure requirements for interim reports of listed companies. This interim report is unaudited and has not been reviewed by the Group's auditors.

In our opinion, we consider the applied accounting policies to be appropriate to the effect that this interim report gives a true and fair view of the Group's assets, liabilities and financial position at 30 September 2017 and of the results of the Group's operations and cash flows for the period 1 July 2017 – 30 September 2017.

Furthermore, we consider the Management Commentary (on page 1-7) to give a true and fair review of the development of the Group's operations and financial affairs, profit for the period and of the Group's financial position for the period as a whole as well as a description of the most significant risks and uncertainty factors that the Group is facing.

Apart from the information set out in this interim report, there have been no changes to the Group's significant risks and uncertainties that have not been disclosed in the Annual Report 2016/17.

Copenhagen, 14 November 2017

The Executive Board:

ALEXANDER MARTENSEN-LARSEN
CEO

The Board of Directors:

PETER THORSEN
Chairman

HENRIK HEIDEBY
Deputy Chairman

NIELS ERIK MARTINSEN
Board Member

MICHAEL HAUGE SØRENSEN
Board member

JÓN BJÖRNSSON
Board member

CONNY KALCHER
Board member

CORPORATE INFORMATION

IC GROUP'S CORPORATE INFORMATION

Share capital	170,908,580	Address	IC Group A/S
Number of shares	17,090,858		12 Adelgade
Share class	One class		1304 Copenhagen K
ISIN code	DK0010221803		Denmark
Business Reg. No. (CVR)	62816414		Phone: +45 32 66 77 88
			Fax: +45 32 66 77 03
Reuter ticker	IC.CO		E-mail: info@icgroup.net
Bloomberg ticker	IC DC		Homepage: icgroup.net

SUPPLEMENTARY GROUP AND SEGMENT DATA

The announced financial figures and supplementary Group and segment data are available on the corporate website at: icgroup.net/investors/financials/reports/

FINANCIAL CALENDAR



6 February
2018



8 May
2018



28 August
2018

INVESTOR RELATIONS CONTACT

Jens Bak-Holder	Phone: +45 21 28 58 32
Head of Investor Relations	E-mail: jeba@icgroup.net