ANNUAL REPORT *2011/12*

IC COMPANYS
HOME OF FASHION BRANDS

A clear direction has been paved for the future of IC Companys

At the beginning of the financial year 2011/12 we had a clear expectation of generating growth and improving earnings. This scenario was based on a positive market situation experienced during the first half of the calendar year 2011, and consequently the Group was geared for growth. However, with a reported consolidated revenue of DKK 3,819 million and an operating profit of DKK 130 million the results for the year under review are both disappointing and dissatisfactory.

The reason behind this dissatisfactory performance has been a significant change in the assumptions. During H1 2011/12 the Group experienced a drastic slowdown in consumer spending which was partly due to the worsened European debt crisis and partly due to the unusual warm weather during the autumn and winter. The competition for the consumers' money was consequently rising during the period under review resulting in the amount of sales campaigns and pre-sales being extraordinarily high.

The Group has thus experienced a substantial pressure on its gross margin. In addition to this, pressure on supplier capacity, high salary inflation and rising raw material prices in the Group's sourcing countries have also had a further impact on the negative development. The primary cause for the reported setback of 4.8 percentage points of the Group's EBIT margin compared to last financial year may thus be ascribed the development of the Group's gross margin which declined by 2.7 percentage points to 56.4%. However, a lower pressure has been registered for Q4 2011/12 during which the gross margin rose by 0.3 percentage points.

The flexibility, transparency and decision power achieved through the structural changes implemented last year have resulted in an improved ability to face the challenges during the year. First and foremost, extensive cost reductions were implemented (please see Company Announcement no. 4/2012) which started to have an impact in Q3 2011/12. This combined with a stringent cost control consequently resulted in the Group's costs being reduced by 4% during H2 2011/12 after having adjusted for the adverse development of the Group's receivables.

Furthermore, targeted efforts in the Group brands focussing on sales promoting activities and campaigns led to a solid operational cash flow which was improved by DKK 78 million. At the same time the Group's inventories were reduced and a positive development of the Group's working capital was achieved.

The Group brand Peak Performance reported a dissatisfactory earnings development for 2011/12 which, among others, is attributable to inadequate internal processes and the price pressure on sourcing of technical fabrics. As a consequence hereof, it was decided to change the brand management. Based on good experience from a similar case in the Group brand Tiger of Sweden which has generated strong performance growth since 2009, much work has been invested in establishing the right processes based on the Group's best practices. An efficient implementation hereof together with a new strong management team are expected to contribute to realising Peak Performance's great potential.

Further to the previously announced sourcing project (please see Company Announcement 10/2011), the co-operation with the Group's preferred suppliers is enhanced in order to optimise the Group's product flow. At the same time this leads to improved sourcing prices as well as a higher geographical flexibility.

Furthermore, the Group's logistics function within hanging garments entered into a partnership with an external supplier who will transfer their existing handling activities to the Group's fully owned warehouse facilities located at Raffinaderivej in Denmark. The Group's handling of hanging garments is thus outsourced. At the same time the excess warehouse capacity which has gradually been built up due to the Group's efforts of reducing inventories is then utilised. Furthermore, this partnership provides an enhanced flexibility of the Group's logistic function. The agreement is expected to be fully implemented as at 1 January 2013.

During 2011/12 the Management engaged in a natural process of further development of the structural changes implemented last year. The Group owns a portfolio of brands which has been developed over an extended period of time. The adoption of a clearly defined portfolio strategy from the ambition to gradually develop IC Companys into a group where the majority of revenues is attributable to brands in the Premium segment renders it possible to exercise this ownership more actively for the benefit of both the Group and the brands. As a consequence hereof, the Group pursues a growth and internationalisation strategy for its Premium brands while at the same time aiming at consolidating revenue and increasing focus on the core markets of the Group brands in the other segments.

It has been a clear target for all initiatives throughout 2011/12 to create the most optimum prerequisites for an efficient management and development of the brand portfolio as well as to enhance flexibility and variability of the costs and thereby the resiliency during volatile market conditions. As a consequence of the profit for the year under review and the outlook for 2012/13, the efforts of reducing fixed costs and increasing flexibility will be intensified. Altogether, we expect that this will contribute to ensuring a continuous improvement of the Group's earnings.

REVENUE *GROWTH*

2011/12: (3%) *2010/11: 12%*

EBITDA *MARGIN*

2011/12: 6.8% *2010/11: 11.4%*

EBIT *MARGIN*

2011/12: 3.4% *2010/11: 8.2%*

RETURN ON INV. CAPITAL

2011/12: 9.9% *2010/11: 26.6%*

Financial highlights and key ratios

DKK million	2011/12	2010/11	2009/10	2008/09	2007/08
INCOME STATEMENT					
Revenue	3,819.1	3,925.4	3,495.3	3,621.1	3,737.2
Gross profit	2,154.3	2,321.6	2,124.4	2,156.4	2,258.8
Operating profit before depreciation and amortisation (EBITDA)	259.1	446.3	412.2	308.8	462.1
Operating profit before depreciation and amortisation, adjusted for non-recurring costs	277.1	474.3	420.2	423.8	502.1
Operating profit (EBIT)	130.4	321.3	282.6	162.1	349.3
Net financials	(0.7)	(13.4)	(5.2)	(10.8)	(31.9)
Profit for the year before tax	129.7	307.9	277.4	151.3	317.4
Profit for the year	89.4	246.3	235.8	109.2	224.0
Comprehensive income	157.4	186.0	249.1	113.9	193.4
STATEMENT OF FINANCIAL POSITION					
Total non-current assets	722.9	770.7	793.3	803.7	825.8
Total current assets	1,284.6	1,155.7	1,010.5	981.0	1,106.5
Total assets	2,007.5	1,926.4	1,803.8	1,784.7	1,932.3
Share capital	169.4	169.4	169.4	169.4	179.2
Total equity	830.6	742.7	747.2	509.1	473.5
Total non-current liabilities	246.8	246.1	196.6	222.8	218.6
Total current liabilities	930.1	937.6	860.0	1,052.8	1,240.2
STATEMENT OF CASH FLOWS					
Cash flow from operating activities	258.4	179.7	424.4	335.1	340.1
Cash flow from investing activities	(108.2)	(103.2)	(122.5)	(135.8)	(138.4)
Cash flow from investments in property, plant and equipment	(71.5)	(79.3)	(92.1)	(129.5)	(113.9)
Total cash flow from operating and investing activities	150.2	76.5	301.9	199.3	201.6
Cash flow from financing activities	(86.7)	(142.8)	(44.3)	(83.0)	(285.3)
Net cash flow for the year	63.5	(66.3)	257.6	116.3	(83.7)
KEY RATIOS					
Gross margin (%)	56.4	59.1	60.8	59.6	60.4
EBITDA margin (%)	6.8	11.4	11.8	8.5	12.4
EBITDA margin, adjusted for non-recurring items (%)	7.3	12.1	12.0	11.7	13.4
EBIT margin (%)	3.4	8.2	8.1	4.5	9.3
Return on equity (%)	11.4	33.1	37.5	22.2	43.1
Equity ratio (%)	41.4	38.6	41.4	28.5	24.5
Average invested capital including goodwill	1,320.7	1,209.2	1,173.5	1,162.1	1,193.5
Return on invested capital (%)	9.9	26.6	24.1	14.2	29.3
Net interest-bearing debt, end of year	248.1	310.9	243.4	533.1	639.0
Financial gearing (%)	29.9	41.9	32.6	104.7	134.9
SHARE-BASED RATIOS*					
Average number of shares excluding treasury shares, diluted (thousand)	16,406.3	16,519.9	16,549.3	16,524.4	17,415.8
Share price, end of year, DKK	97.5	221.0	176.0	103.0	156.0
Earnings per share, DKK	5.4	14.8	13.9	6.1	12.6
Diluted earnings per share, DKK	5.4	14.7	13.9	6.1	12.6
Diluted cash flow per share, DKK	15.8	11.0	25.9	20.3	19.5
Diluted net asset value per share, DKK	50.5	44.7	44.7	30.0	28.0
Diluted price/ earnings, DKK	18.2	15.1	12.7	16.8	12.4
EMPLOYEES					
Number of employees (full-time equivalent at the end of the year)	2,217	2,344	2,315	2,261	2,441

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

The key ratios and share data have been calculated according to the recommendations in "Recommendations and Ratios 2010" issued by the Danish Society of Financial Analysts. Please see definition of key ratios on page 106.

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.

CORPORATE STRATEGY SUPPORTS *AMBITION* OF DEVELOPING IC COMPANYS TOWARDS THE *PREMIUM SEGMENT*

IC Companys' vision is to be one of the best developers of sports and fashion brands. The Group's brand portfolio is supported by an industry-specific knowledge centre and an efficient service platform. Together these form the foundation for our mission which is to build successful brands by uniting business expertise with creativity and innovation. Based on the implemented organisational changes and the adopted clearly defined portfolio strategy, the Group's active ownership is further enhanced from the ambition to gradually develop IC Companys into a group where the majority of revenues is attributable to brands in the Premium segment.[1]

IC Companys is a multi-brand Group which unites business expertise with creativity and innovation within the sports and fashion industries. Since the merger of InWear Group A/S and Garli Gry International A/S in 2001, the Group has expanded through a number of successful acquisitions and start-ups which has consequently led to the present Group structure existing of 11 brands divided between three different brand segments: Premium, Mid Market and Fast Fashion.

IC Companys has achieved a strong international presence and a leading position in the Nordic region with sales through approx. 500 retail and franchise stores, a rapidly expanding e-commerce business and more than 10,000 selling points located in more than 40 countries.

IC Companys' vision is to be one of the best developers of sports and fashion brands. This vision holds the notion of IC Companys adding value by exercising an active ownership of the individual brands and creating the right environment encouraging creativity and innovation for the Group brands.

Active ownership and development of our brands constitute a central part of our multi-brand strategy. In 2010 IC Companys adopted a new corporate strategy and later that year a new corporate structure was implemented with a full line organisation and identical structure for all brands. Moreover, all 11 brands were given full responsibility of their value chain. With the new structure, the Group has achieved increased responsibility and transparency as well as enhanced execution power and flexibility. Furthermore, the new structure enables the Group to easier exercise active ownership and develop the brands according to the mission; to build successful brands by uniting business expertise with creativity and innovation.

By "uniting" we refer to the way in which we bring together two distinctly different disciplines in an optimal way. By "business expertise" we refer to the way in which we industrialise our brands without compromising with creativity and innovation. By "creativity and innovation" we refer to our ability to continuously develop, promote and sell interesting

[1] Premium brands refer internationally to brands in the segment between Mid Market and Luxury, previously categorised by the Group as Affordable Luxury brands.

Our Vision; to be one of the best developers of sports and fashion brands

Our Mission; to build successful brands by uniting business expertise with creativity and innovation

Our Ambition; to gradually develop IC Companys into a group where the majority of revenues is attributable to brands in the Premium segment

collections. We develop the skills to do this by focussing on best practices applicable inside and outside our industry.

Quite simply, we strive at empowering our brands within a clearly defined set of frames and principles and we expect them to achieve specific goals.

Knowledge centre - the primary synergy

The Group's role as being a knowledge centre is of great importance as it creates the foundation for development of our brands. The Group's Management has thus defined the key business disciplines which play a central role in order to achieve success in the sports and fashion industries; wholesale, retail/franchise, e-commerce, new markets, collection development, sourcing, brand building and marketing.

The Executive Management has, in cooperation with the 11 brands, developed business models, frames and principles which define go-to-market strategies for each of the four distribution disciplines and best practice processes within each of the above-mentioned key business disciplines. This involves clear and well-documented structures and processes for implementing, innovating and sharing this knowledge. The business models constitute IC Companys' frames for how the central business disciplines are practised in all brands and the Corporate Business Development department supports this process. Working with the Group's key business disciplines involves an iterative process between brands and the Group with the purpose of developing, implementing and updating best practices.

Service functions – lean and efficient

Another essential prerequisite to the Group's success is the synergies arising from operational benefits from the non-brand specific shared service functions; Sourcing, Logistics, IT, Finance, Legal department and HR.

The service functions provide services based on the brands' needs. The services are offered either internally or through external partners depending on the balance between service level, efficiency and flexibility. Furthermore, the service functions determine minimum requirements and guidelines within each service area.

The Group thus provides the brands with a far more efficient and service-minded set-up that they could obtain on their own or source outside the corporation. Efficient refers to a set-up which is flexible and transparent, and consequently offers competitive prices. By offering these services, the brands may then focus on their core competences solely.

Portfolio strategy provides clarity for Group and brands

In 2011 the Group adopted a new portfolio strategy based on conclusions from thorough analyses. These analyses concluded, among others, large differences of the competence requirements for success across the four main fashion segments; Luxury, Premium, Mid Market and Fast Fashion as well as a rising polarisation in the market. The best performing brands of the Mid Market segment are profitable, however, this segment does not generate growth. On the other hand, most brands of the Premium segment are able to generate international growth as well as profit. The same scenario regarding segment performance is dominating the Group's own brands.

As a consequence hereof, the Group has set a clearly defined target for Premium brands which must generate growth through enhanced market penetration and internationalisation and thereby boost revenues and earnings. Consequently, the requirements for Premium brands, which are prerequisites for future investments, are as follows;

- to be among the most successful brands in their home market within their segment;
- to be able to document international growth potential; and
- to achieve a high return on invested capital.

The main target for brands in the segments Mid Market and Fast Fashion is defined as optimisation and consolidation of their core markets. The requirements for these brands are as follows;

- to be relevant within their core markets in their segment;
- to be able to generate satisfactory earnings;
- to be able to convert profit to cash flow; and
- to be able to boost the Group's EBITDA in order to finance growth investments of Premium brands.

We will monitor the development of each individual brand closely and work proactively on setting clear targets - including how to regain positive development in those brands not performing according to expectations.

Having a clearly defined structure and portfolio strategy in place, it is only natural to exercise enhanced active ownership. This also includes a continuous assessment of the Group's opportunities of creating shareholder value through divestments as well as acquisitions. It is our ambition to gradually develop IC Companys into a group where the majority of revenues is attributable to brands in the Premium segment.

Strategic focus areas

To ensure the right long-term development of the Group brands, the Group has defined the following five strategic areas with different consequences for each individual Group brand depending on its market position and growth potential.

To build strong brands - we must ensure that the Group brands develop their own brand identity which differentiates them from their peers and which is communicated consistently.

To have a focused market approach - we must prioritise our resources and efforts proportionally to the potential of the individual brand in a specific market.

To increase controlled distribution - we must increase control of our distribution through a professional co-operation with our customers as well as a consistent communication of the individual brand identity.

To optimise our processes and value chain - we must continuously develop our processes and value chain through internal knowledge sharing as well as benchmark against the best of our peers.

To practise strong leadership - we must focus on performance culture and employee talent development.

The targets within these focus areas must be achieved by partly employing the tools arising from a strong knowledge centre and partly through a focused portfolio strategy as well as well-run brands supported by efficient service functions.

Financial potential

Strong growth opportunities within the Premium segment

Based on the Group's portfolio strategy and the individual brand identity, each brand acts in line with a thoroughly planned brand strategy with clearly defined strategic priorities and implementation plans developed in accordance with IC Companys' business models, frames and principles.

In the future the Group will continue its growth strategy for the Premium segment. The Group brands Tiger of Sweden, By Malene Birger and Peak Performance all hold a large international potential and at the same time they are in a position where it is possible to enhance revenues on their existing markets further. This growth is based on new markets, a higher degree of wholesale revenue through, e.g., concessions and opening of new franchise stores and selected new retail stores. Furthermore, this growth is supported by a continued e-commerce expansion.

In the future brands in the segments Mid Market and Fast Fashion will focus on their core markets, primarily Scandinavia. This means that a revenue consolidation in Scandinavia is still expected and thereby enhanced earnings.

More solid earnings

In order to be able to act efficiently in a challenging economic climate which is expected to be characterised by weak growth and high volatility, the Group's target still remains to enhance its flexibility and scalability. The Group thus continuously initiates new measures which aim at converting fixed costs into variable costs and thereby reduce the Group's tied-up capital in assets and leases. Consequently, this will enhance return on invested capital and the earnings volatility will be minimised. This requires the corporate service functions to deliver efficient as well as variable solutions suited for the needs of the individual brands. However, it is not a requirement that the service functions necessarily produce the solutions themselves.

Strong cash flow based on a slim financial position

The Group operates a well-functioning service platform and only limited investments are required in order to support a growing business. The Group aims at keeping the investments at a level of 3% of the annual revenue.

The combination of a well-disciplined business and low working capital, which is expected to constitute 12% of the annual revenue as a maximum, ensures a stabilised high level of cash flow which offers the option of continuing reducing debt.

Pursuant to the Group's dividend policy, the Management will propose at the Annual General Meeting 2012 that a resolution recommending 30% of the profit to be distributed as an ordinary dividend to the shareholders.

In addition, it has been decided that the Group's net interest-bearing debt, including its lease commitments, may only as a maximum be increased to a level of three times higher than EBITDA should such measures be necessary. At present the Group has no plans of this.

Outlook

Outlook for 2011/12 fulfilled

Consolidated revenue for the financial year 2011/12 amounted to DKK 3,819 million (DKK 3,925 million) corresponding to a setback of 3%. The last reported outlook stated an expected level of DKK 3,800-3,850 million.

Consolidated operating profit for the year amounted to DKK 130 million (DKK 321 million). The Group thus generated an EBIT margin of 3.4% (8.2%). The last reported outlook stated an expected level of DKK 130-150 million.

Investments for the financial year 2011/12 amounted to DKK 106 million (DKK 102 million) which is higher than expected (the last reported outlook indicated investments of DKK 80-100 million). This deviation is primarily attributable to a temporary difference of IT investments and leasehold improvements.

Outlook for 2012/13

Management expects that the volatile market conditions will continue in 2012/13. Consequently, a same-store setback and the pressure on the Group's wholesale customers are expected to continue in 2012/13. However, the pressure on the Group's gross margin is expected to abate in 2012/13 due to normalisation of discounts and sales activities of the industry. Furthermore, the new sourcing structure and continuous optimisation are expected to have a positive impact on the Group's gross margin.

In the light of the development for the financial year 2011/12, the Group thus expects to close down a number of stores in 2012/13. In alignment with the corporate strategy Management expects to close down the retail stores in the Mid Market and Fast Fashion segments positioned outside the core markets of the individual brands.

As a consequence of the Group's earnings development, the Management expects that the efforts of reducing costs will be intensified in 2012/13.

Based on this, the Management expects the consolidated revenue for the financial year 2012/13 to be lower compared to the financial year 2011/12, however, the consolidated operating profit for the financial year 2012/13 is expected to attain the same or a higher level compared to the financial year 2011/12.

Investments for the financial year 2012/13 are expected to attain the same level as the financial year 2011/12 primarily for an expansion of the distribution in the Premium segment.

IC COMPANYS DEVELOPS *11 SPORTS AND FASHION BRANDS* WITH DIFFERENT *TARGETS*

IC Companys runs and develops 11 brands from different general principles depending on the brand segment. Brands under the segment Premium are expected to engage in investment activities promoting growth through enhanced market penetration and internationalisation, thereby boosting revenues and earnings. Brands under the segment Mid Market and Fast Fashion are generally expected to focus on optimising and strengthening their brands on the core markets. Each brand is run as a separate business enterprise.

IC Companys runs a portfolio of 11 brands with a wide range of characteristics. Group brands can be divided into three main segments; Premium, Mid Market and Fast Fashion. The first group includes the Group brands Tiger of Sweden, By Malene Birger, Peak Performance and Designers Remix which together constitute 51% of the consolidated revenue. The second group includes the Group brands InWear, Matinique, Part Two, Jackpot and Cottonfield while the last group includes the Group brands Saint Tropez and Soaked in Luxury. As described in the section regarding corporate

FASHION SEGMENTS

PRICE SEGMENTS	*Sport/lifestyle*	*Contemporary*	*Formal*	*Casual*	*Jeans*
Luxury (high price)					
Premium (upper mid price)	PeakPerformance	BY MALENE BIRGER TIGER OF SWEDEN DESIGNERS REMIX CHARLOTTE ESKILDSEN			
Mid Market (mid price)		InWear Matinique Part Two		COTTONFIELD REG. TRADEMARK Jackpot	
Fast Fashion (low price)		SAINT TROPEZ SOAKED IN LUXURY			

strategy (please see page 6), the Group sets different tasks for its brands which are, however, all expected to contribute positively to consolidated earnings. All 11 brands are fully responsible for their own value chain and are run as separate business enterprises with a industry-specific knowledge centre and an efficient service platform

As part of IC Companys, all Group brands work from a shared set of business models which constitute the Group's frames for how we do business. These standard principles, guidelines and tools have been developed in co-operation between Group brands and the Executive Management and define how the key business disciplines are practised.

Furthermore, the Group brands are supported by the corporate shared services functions which operate those activities playing no importance to brand DNA and which provide each brand with significant costs and quality benefits.

The Group's corporate brand - IC Companys - serves as a general guarantee of continuity, delivery capability and credit worthiness.

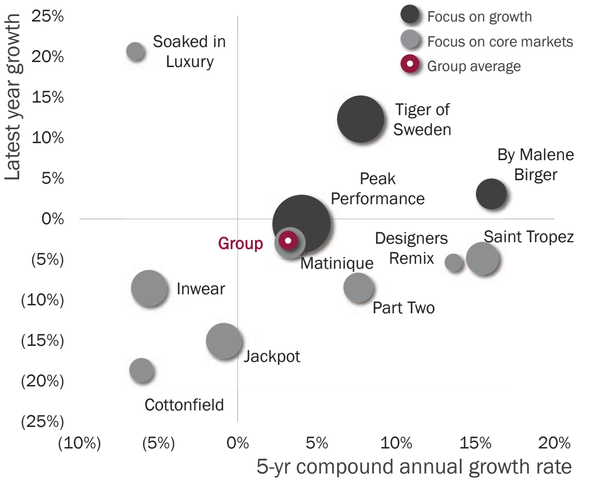
Price and fashion segments

Furthermore, Group brands may be divided into different price and fashion segments. The Group's primary development is represented across the fashion segments and focuses on the price segments Premiumy and Mid Market where the Group has gained strong competences over the last 40 years.

Group brands

All Group brands have been affected by the financial crisis, however, some brands have been able to generate growth during the crisis. 3 out of 11 Group brands thus generated growth in 2011/12 whereas the largest Group brand succeeded in retaining its market position.

Growth rates in Group brands



Highlights for the financial year 2011/12 per brand

Brand	Revenue in DKK million	Growth %	Wholesale/ retail share %	Numer of selling points	Number of stores
Tiger of Sweden	633	12	58/42	900	37
By Malene Birger	272	3	72/28	900	27
Peak Performance	971	(1)	71/29	2,000	88
Designers Remix	87	(5)	57/43	400	23
InWear	370	(9)	63/37	1,100	49
Matinique	280	(3)	60/40	800	42
Part Two	249	(8)	70/30	1,200	11
Jackpot	362	(15)	41/59	1,000	88
Cottonfield	165	(19)	44/56	600	46
Saint Tropez	305	(5)	56/44	1,000	58
Soaked in Luxury	90	21	79/21	700	7

The Group's brand portfolio is presented on the following pages.

Tiger of Sweden

About the brand

Tiger of Sweden's history started in 1903 in Uddevalla, a small town on the Swedish west coast. The brand has its foundation in a strong confection tradition and solid tailoring skills, refined for 109 years.

In 1993 the brand was repositioned with a clear vision of "taking the suit from the bank to the street". Since then, Tiger of Sweden has gone from being a tailoring brand for gentlemen to become an international designer brand, including men's, women's and jeans collections with a wide range of shoes and accessories.

Tiger of Sweden breathes "a different cut" – a symbol for a different mind-set that implies a constant on-going development, both design-wise and intellectually. The combination of silhouette, clean cuts, materials, details and a proud, cocky attitude gives the brand its unique position.

Tiger of Sweden works in close co-operation with the best fabric mills available, developing its own fabric designs that create the brand's uniqueness. Combining materials with a clean cut based on first-class craftsmanship creates the unique and beloved Tiger fit, whether it is a suit, blazer or a pair of jeans.

About the product

Tiger of Sweden is associated with its own on-target look – minimalistic, with a modern cut – "premium" in its purest form. Tiger of Sweden was born with innovation and curiosity woven into its DNA spiral. This is our greatest strength, something we will never give up.

Tiger Men and Tiger Women appeal to the urban, fashion conscious couple with a medium/high income. They value the laid-back luxury look built from perfect silhouettes and reinvented tailor tradition. They always want to look their best and have a mental age of 25-38.

Tiger Jeans appeals to a younger age group (mental age 18-30) who seeks individual expression. The consumer is a fan of the clean Scandinavian fashion takes on jeans and is willing to pay for quality and great fitting. They are cool, proud and sexy and love to play in the dark nightlife.

Highlights 2011/12

During the financial year, Tiger of Sweden successfully opened six new stores in Copenhagen, Helsinki, Johannesburg, Aarhus, Uppsala, Arlanda Airport and an outlet in Oslo. Tiger of Sweden has during the year opened 3 shop-in-shops within Selfridges department stores in London, Birmingham and Manchester. The store openings and shop-in-shops further strengthen our presence in the domestic market and this continues the international expansion.

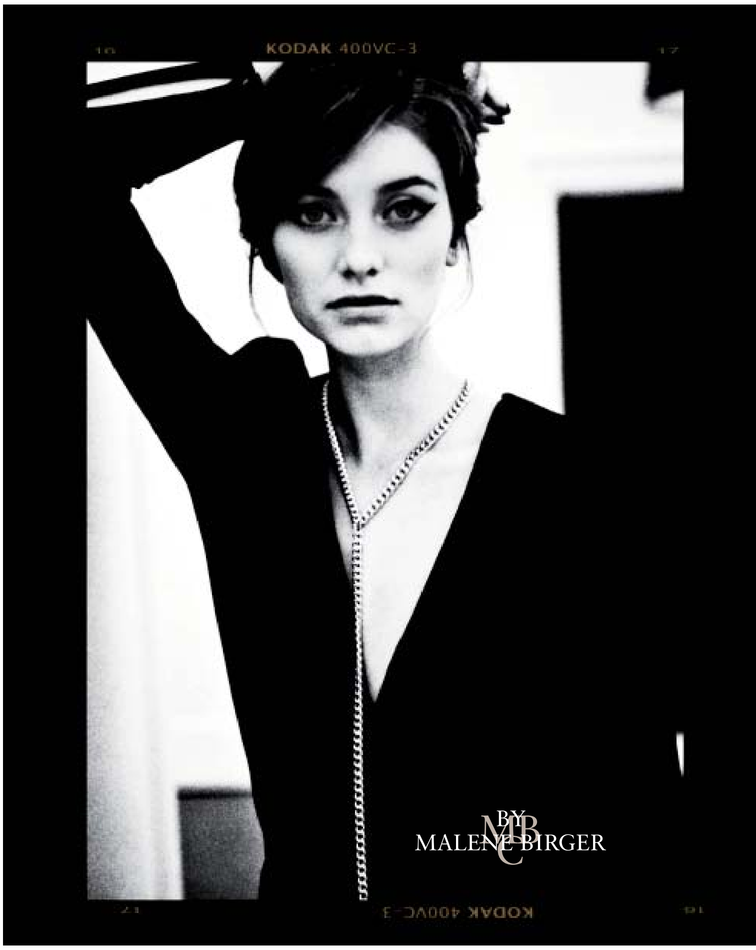
Today we have Tiger of Sweden stores in Sweden, Denmark, Norway, Finland, Germany, Canada and South Africa, our own webshop and a total of approx. 1,200 re-sellers spread over 18 countries in three of the world's six continents. In total 180 employees wake up every morning dedicated to creating a great brand.

{ "A Different Cut" is more important than ever before. Every day, we will wake up and create a new interpretation of well-tailored Scandinavian fashion with a character of its own. We plan on doing that for at least another 100 years. }

By Malene Birger

About the brand

By Malene Birger has created a highly-esteemed brand with enormous success in the nine years since its inception. Malene Birger is the heartbeat and creative force behind By Malene Birger. Designing and overseeing each collection, the international campaigns, the brand identity and the entire aesthetic universe - supported by her dedicated team. Instrumental in the brand's impressive success worldwide is a committed management team. Together they are focused on driving the brand to its full potential as a creative and innovative international business. By Malene Birger is the recipient of numerous design awards and recognitions.



About the product

By Malene Birger is a high-end, international designer brand offering luxury at an affordable price to a growing base of global-minded consumers. For Malene Birger, design is a delicious obsession. She lives life in constant motion, often designing in mid-air between different destinations. Continuously collecting impressions she stores in her mind for just the right moment to transform into another entity. Together they become part of her eclectic approach to design and are introduced in 4 yearly prêt-a-porter collections, together with an extensive collection of accessories reflecting the look and styling.

The company's vision is to be seen as a design-driven, upscale, inspiring, well-respected brand on the international fashion scene. A brand people feel proud to wear – and work for.

Highlights 2011/12

This season, Malene Birger brought her talent for photography to the Autumn/Winter 2012 teaser campaign. Drawing on her exceptional skills in composition and camera angles, the result is a graphic, iconic approach to the look and feel of the collection.

The financial year 2011/12 shows an increase in turnover which makes it the best financial year for By Malene Birger ever. With a staff of more than 100 and sales in 42 countries in Scandinavia, Europe, Asia, the Middle East, North America and Australia and, By Malene Birger continues to experience incredible success and global expansion. Given the brand's impressive track record, By Malene Birger won the "Brand of the Year" award at the DANSK Fashion Awards 2011 and was nominated again in the same category at the DANSK Fashion Awards 2012.

Peak Performance

About the brand

Peak Performance was founded in Sweden in 1986 by a couple of passionate skiers who decided to live their dream. Since then, we have been dedicated to making technically advanced Active wear and timeless Casual wear, all with uncompromising quality and the great outdoors as inspiration.

The Active collection (Ski, Outdoor,Training and Golf) is our heart and soul and where it all began. For 25 years we have created technical, fashionable and innovative active clothing that represents our passion for playful and colourful design.

The Casual collection is deeply rooted in our long history of making quality clothing. Styles are inspired by our outdoor heritage and characterised by natural materials, impeccable cuts, trims and details. Combined with technical knowledge from our active heritage - uniqueness is created.

About the product

Peak Performance is a lifestyle brand with a real story and long history. The Peak Performance consumer is not divided into age groups or by gender. We simply call our core consumers “Social Adventurers”. Social Adventurers are people who search for new experiences, enjoy being outside and being active, like hanging out with friends and meeting new people. They have an open mind, love skiing and great design. They like genuine things with a history and they never ever compromise when it comes to quality.

Highlights 2011/12

Peak Performance is Scandinavia’s largest sports fashion brand operating in more than 20 markets and with nearly 400 employees. The distribution is based on 83 general stores, 7 outlets, partnerships with around 2,000 selected retailers and through e-commerce.

Peak Performance was the official clothing supplier of three of the most important golf tournaments on the European Tour from July to September 2011: The Nordea Scandinavian Masters, Omega European Masters and the KLM Open.

Celebrating the 25th anniversary in autumn 2011, Peak Performance turned back the wheel of time and paid homage to the past by introducing the retro-inspired Heritage Edition Collection.

In December, Peak Performance joined the Kitzbühel skiing traditions by opening up a general store in the Ober Sport building whose owners once built the first plastic skis.

In April, the first South Korean general store was opened right in the city centre of Seoul.

Our products and everything we do adhere to the simple philosophy that we’ve had from the very beginning: Making products that we ourselves like and want to wear. It all started out with skiwear but then we realised we needed something to wear after the ski lifts closed.

Designers Remix

About the brand

Designers Remix was founded in 2002 by Charlotte Eskildsen together with her partner and CEO, Niels Eskildsen. Since then, they have successfully developed the brand into a global brand, available in more than 400 selling points all across Europe, Russia, Asia and the Middle East.

With Designers Remix Charlotte Eskildsen brings abstract minimalism to elegance. In an array of forever items with an architectural angle on sophistication. Seen in geometric, organic and asymmetrical silhouettes, exquisite fabrics and 3D accents. For women who dare to take an unconventional stance on style.

“It is my mission to make women feel beautiful wearing my clothes. I want to create forever items – fashion that women will keep in their closets for decades.” Charlotte Eskildsen, Chief Designer.

About the product

Designers Remix is a brand made for positive, sophisticated women with poise and power. It is for curious women with a lust for life, and a willingness to explore their own contradictions.

Highlights 2011/12

Through the past year Designers Remix has obtained both national as well as international recognition. Due to its unconventional and sophisticated design, Designers Remix won the award for “Brand of the Year” at DANSK Fashions Awards 2012. Internationally, Designers Remix was once again accepted to the official show calendar of London Fashion Week.

Celebrities and members of the royal family continue to dress in Designers Remix, counting Kylie Minogue, Christina Ricci, Rachel Weisz, Medina as well as the Crown Princess of Denmark.

In February 2012 Designers Remix reached its 10 years anniversary - celebrated at a fantastic show at the royal terminal in the Copenhagen airport, the V.L. Terminal, during Copenhagen Fashion Week.

We are very happy to be celebrating our ten years anniversary this year. Our anniversary show during the Copenhagen Fashion Week took us back down memory lane and it was great to see that our design DNA and integrity have stayed true throughout the years.

InWear

About the brand

InWear is one of Denmark's oldest fashion brands – characterised by its modern interpretation of the classic look, using luxurious combinations of material. Work is based on the mantra "soft edge" – a way of thinking that substantiates the brand, from styles to campaigns. InWear is international. It is sophisticated and edgy. It has personality and a strong sense of individuality. InWear has developed from being the brand everybody knows to being the fashion brand which the fashionistas are rediscovering.

About the product

InWear design is about easy fashion with fabulous fits. For designer Lene Borggaard it is about clothes women can throw on and trust to accentuate their best features without having to think about it during the day.

The InWear woman is an aspirational figure for both older and younger women as she is understood as an attitude and lifestyle rather than an age. She has an outlook on life that intrigues others, and makes them want to know her better. She is emotionally intelligent and sensually engaging. She is sophisticated, but not pretentious. She radiates a soft edge with a sense of femininity, curiosity, and optimism. She loves fashion and understands the role it plays in her life. Her refined taste and understanding of style are clearly visible, and she seems open and approachable. The InWear woman is in love with life.

Highlights 2011/12

For the 2012 spring collection InWear presented the international well-respected blog star and fashion icon Hanneli Mustaparta as the InWear face to take the campaign from "just another pretty picture" to something that is adding extra value to InWear's creative platform by bridging real life with the illusion of fashion.

InWear is continuously working with the brand adding more design to the collections and creating a stronger profile. Therefore, we are proud that InWear was nominated for "Brand of the Year" at DANSK Fashion Awards 2012.

InWear aims to be a leading, confident and international fashion brand – with a soft edge.

Matinique

About the brand

Approaching its 40th birthday this coming year, Matinique has kept close to its original vision of creating fashionable, comfortable and high-quality clothing for men. Over the decades, Matinique has progressed with the changing times, while always resting solidly within the brand personality. Looking towards seasons to come, it is Matinique's ambition to hold on to its unique identity keeping close to product, trends and masculinity.

Matinique strives to be the chosen brand for the urban man whose fashion sense allows him a personal and cool style, as well as an eye for the complementing details. While fashion is not his primary focus in life, he lives an active and ambitious life and wants his look to reflect this. The Matinique man is 25-35 years of mental age. He has a free-spirited personality with a passion for life, a desire to live the best life possible and has a great sense of humour. He is ambitious, confident, determined and he handles whatever life throws at him with that certain touch of class that puts him at the centre of decisions.

About the product

The core of the Matinique brand has always been the single product. Each style, each detail, each quality has been carefully chosen to complete the single product. Matinique design exudes strength and confidence, and while not being a slave to trends, Matinique makes a man look the part he intends to play. For designers in Matinique the emphasis is on masculinity, complementing the masculine silhouette without complicating it. The key to the Matinique look is blending the formal with the casual, to create cool outfits that effortlessly will take the urban man from the boardroom to the bar without compromising his style. Matinique is about comfortable fabrics and excellent fits, using modern tailoring techniques to suit all, wherever and whenever.

Highlights 2011/12

In order to continuously strengthen Matinique's position as well as brand feeling, this past year has moved the brand even closer to its core. Collections have been strengthened by creating an even greater cohesiveness within each collection, thereby allowing for design to live out the brand's vision to the fullest. Marketing has added a bit more edge to the image of the Matinique man, moving him visually closer to his urban identity without compromising the brand's core identity. PR has been moved a step closer to home, making sure that opinion leaders and press are at the receiving end of a strategy that puts product and closeness at top priority.

As a consequence of the market situation, the strategy has been to consolidate business. This strategy has proven successful as net sales on wholesale have increased in core markets, while overall profitability and efficiency have improved.

Today Matinique creates fashionable collections for the urban man, blending formal and casual looks with high quality and affordability.

Part Two

About the brand

Part Two was established in 1986 from the inspired combination of a prominent visionary, creative entrepreneurialism and a unique design aesthetic.

With a strong fashion profile, the brand is experiencing an exciting market potential in its core markets and has furthermore established foothold in selected new foreign markets in recent years.

About the product

A signature style of clean aesthetic, sensual femininity and raw simplicity is present in Part Two's collections offering an effortless chic wardrobe. The "sensual-meets-raw" design profile adds an authentic attitude allowing the modern woman to dress in wearable and timeless design with a high fashion approach.

The Part Two woman is a fashion conscious consumer with a mental age of 25-45 years. She is ambitious in life and driven by a sense of 'Joie de vivre'.

She uses clothes to express her personality and accentuate her best features and identifies herself with the sensual meets raw and casual chic style of Part Two.

She is willing to pay extra for good quality garments as long as the price is reasonable.

Highlights 2011/12

Part Two was nominated by Costume Norway as "Best Brand of the Year" in 2011. Furthermore, Part Two was nominated by Costume Denmark for "Best Idea" in 2011 with the art collaboration which presented a scarf collection with four Nordic female artists.

During 2011/12 Part Two increased its expansion on the Chinese market due to new collaboration with a local partner. Furthermore, Part Two successfully launched its webshop in September 2011 which has been well-received by our customers.

Always working with new angles on our strong design, Part Two launched an exclusive collection with the Norwegian artist Cathrine Knudsen. Furthermore, being passionate about new talents, Part Two supported four up-coming Nordic artists in an art donations project.

A strong multi-channel brand platform ensures exciting future prospects for Part Two. This, along with high-profiled innovative collections reflecting international fashion trends will ensure successful future expansion of the Part Two brand.

Mid Market

Jackpot

About the brand

Jackpot's history began in the early 1970's in a basement shop in Copenhagen and is still based in Copenhagen.

Jackpot designs vibrant fashion for the individualistic woman, who forms a personal expression through her style.

The casual attitude characterised by the Jackpot universe is based on a natural approach to clothes-making and a strong passion for our product. We believe in creating an honest and non-perishable product, which offers an alternative to the fast fashion market.

About the product

With vibrant colours, hand-painted artworks in prints and delicate shapes, Jackpot's feminine signature is always in focus. A clean palette gives a refined simplicity, but always with an attention to detail. It is this bohemian feel, timeless elegance and high quality, which means that Jackpot's collections are designed to last far longer than one season only. The Jackpot wardrobe is unforced, easy and effortlessly stylish.

Honouring a corporate social responsibility is a crucial Jackpot value. When selecting new partners, who are reliable and have a high standard in respect of both corporate social responsibility and their production, we at Jackpot are consistent and persistent in our beliefs.

Highlights 2011/12

To continously improve the product offer, Jackpot has expanded the product portfolio with a jeans line.

In addition, Jackpot is pushing even further in the quest of "verticalising" the merchandise flow in an attempt to get closer to the market.

In August 2011 the Danish Minister for the Environments visited the Jackpot flagship store in Copenhagen, acknowledging our work to consistently aspire and improve.

Moreover, Jackpot won the prestigious Award for "Best Organic Textile Product" from NOPE (The Natural and Organic Products Europe) in London in April 2012. Due to our persistent work with sustainable fashion, Jackpot was furthermore nominated for the "Ethical Award" by DANSK Fashion Awards 2012.

Jackpot is a unique international brand with a high degree of recognition. We inspire our loyal consumers to express their individual style with our clothes.

Cottonfield

About the brand

Cottonfield's history began in the northern part of Denmark in the countryside not far from the sea, where founder of Carli Gry, Klaus Helmersen, inspired by the challenge of combining fashion and comfort for Scandinavian weather, created the first collection in 1986. Especially, one orange down jacket became the talk of the Copenhagen International Fashion Fair that year, and Cottonfield was soon recognised as a significant new player in the market of colourful, comfortable casual menswear.

26 years later, Cottonfield still has high brand awareness and offers a casual fashion brand to trust. A brand that makes every man feel comfortable, confident and masculine.

Cottonfield is the essence of Scandinavian lifestyle. The combination of simple design with modern details, comfortable fit and a casual and joyful approach to life gives the brand its unique position.

About the product

The Cottonfield man is a confident and well-balanced man of 30 something. He knows what he likes which is reflected in the way he dresses; masculine, casual and confident. He is extrovert and committed to others, and can from time to time be engaged in social and cultural matters. He likes being outdoor and lives an enjoyable active life. He enjoys having friends around him, he is playful and easy-going. He is ambitious but never at the expense of others. He is a likeable guy and people are attracted to his sense of humour and energy.

Cottonfield is positioned as a modern casual brand in the mid-price segment. The Cottonfield products and design offer a comfortable fit, details and original artwork, natural colours, good quality and value for money.

Highlights 2011/12

This year was an important milestone for Cottonfield as we have updated our strategy and brand DNA to 2012 and initiated a journey in repositioning our brand to become relevant and top of mind with our main target group.

Our distribution has been adjusted to our strategy with full focus on the main markets.

We opened our webshop in October 2011 and soon hereafter launched Facebook sites in Danish, Swedish, Norwegian, Polish and English in order to become closer to our consumers and also to drive traffic to our webshop.

We also opened an inspiration store in Copenhagen to show our updated DNA. Besides selling the products, the store is our preferred location for events and press meetings.

Cottonfield is the essence of Scandinavian lifestyle – a promise of a relaxed ”quality lifestyle” from personal relationships to the clothes we wear. Our casual layered look is consistent, yet innovative. Always delivering value for money, quality and a comfortable fit.

Saint Tropez

About the brand

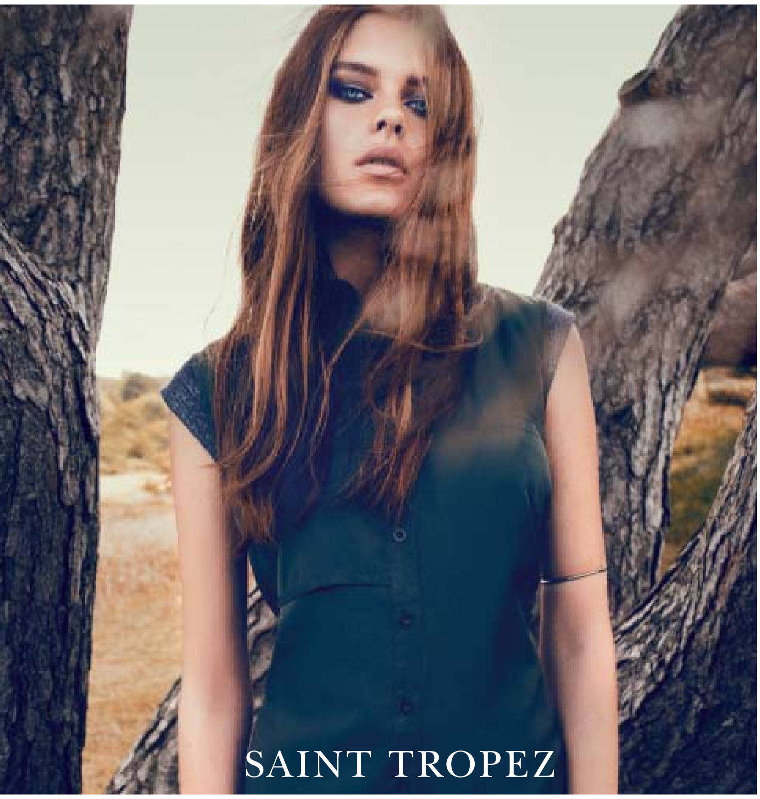
Since 1986, when Saint Tropez was established as a dynamic fashion brand aimed at girls and women, certain core values such as sound business practice and a customer-centric mind-set have served as the foundation of the brand's success.

Saint Tropez became part of IC Companys A/S in 2002.

The mission of Saint Tropez is to be the best at making younger women always feel updated and feminine dressed, with an attractive relation between price and quality.

Saint Tropez develops 10 collections a year with ongoing deliveries and just three months from sketch to store rack – short-to-market. This allows the design team to respond to the latest trends, adjusting the collections accordingly and continuously optimising products based on an online feedback system, which is part of our own retail operations.

The Saint Tropez design team is committed to producing bestselling styles and always bringing them up to date. The focus is on the lower-medium market. Saint Tropez designs for the younger woman who loves fashion, yet is still price-conscious.



About the product

The price range of Saint Tropez is relatively wide starting with low entry prices on more basic products. These prices help build the price perception, and ensure that consumers can find attractively priced items at every visit. More 'exclusive' products with many details/expensive fabrics are priced significantly higher, but always at the best possible prices and providing value for money.

The core customer is a younger, independent and feminine woman aged between 25 to 35 years, who loves fashion, yet is still price conscious. She knows what suits her and skilfully implements current fashion trends in her wardrobe, while staying true to her own feminine style.

This core customer serves as an aspiration for a much broader group. She is the girl we design the clothes for, and the girl we communicate to and use as a vehicle in our communication.

Highlights 2011/12

Saint Tropez has increased its number of stores by 7 during this financial year which brings the total number of stores to 58 at present.

This financial year, a notable growth in our e-commerce channel has been achieved considering the challenging year. E-commerce is an area expected to grow significantly, so development and testing are constantly being carried out.

Targeted efforts to get Saint Tropez present in all channels have led, amongst other things, to a nomination for "High Street Brand of the Year" at DANSK Fashion Awards 2012.

Saint Tropez is an international brand and is rooted in an always feminine universe which forms the basis for the product, the communication and the in-store experience. Superior value provided to customers by the entire organisation in product as well as personal contacts is an everyday focus. Saint Tropez is in tune with the trends of the time and dedicated to providing these to customers.

Soaked in Luxury

About the brand

Soaked in Luxury's overall mission is to make a bridge between "high street" and "fashion" brands. This is done by combining the commercial values, aggressive prices, high volumes and quick deliveries from the high street brands combined with individualism, looks and details from fashion brands.

Founded in 2005, Soaked in Luxury is the youngest brands in the IC Companys' organisation.

About the product

Soaked in Luxury brings together cosmopolitan flair, great colours, a variety of fabrics and creative detailing with a sharp focus on the end-consumer. The brand's design profile is feminine, sexy, urban and cool. The Soaked in Luxury products represent fashion with affluence and luxury for the eye.

The Soaked in Luxury woman is carefree, sexy and life ambitious and she appreciates the latest trends at an affordable price. She lives in the moment, treasuring life's simple pleasures and making the most out of life. Even though she might not be living in the big city, she is still a city girl at heart.

Highlights 2011/12

Throughout 2011/12 Soaked in Luxury has had a sharp commercial focus on strengthening the distribution channels and expanding the availability of the Soaked in Luxury brand in general.

As a result, Soaked in Luxury has succeeded in establishing a strong presence and significant growth in both wholesale and retail, in all existing markets.

With each new collection we always make sure that every Soaked in Luxury style has that little extra something - a special detail which is appreciated by our end consumer. We believe that this is one of the secrets behind our success. For the Soaked in Luxury team it is very satisfactory to experience the acknowledgement and dedication that the brand is now receiving from both sales channels and the end consumers in all our markets.

IC COMPANYS CONTINUES TO *GAIN* MARKET SHARES IN *SCANDINAVIA*

In spite of the challenging consumer behaviour the Group has gained market shares on the primary market segments; Denmark, Sweden and Norway. In the future the focus on primary markets will have an even more pivotal role for Group brands in the segments Mid Market and Fast Fashion whereas Group brands in the segment Premium are generally to enhance their internationalisation activities.

The financial year 2011/12 has been marked by the European debt crisis, weak consumer confidence and challenging weather conditions on many of the Group's primary markets. Consequently, a number of the Group brands have worked on consolidating their revenues, primarily focusing on minimising the retail exposure. This has led to both discontinuation of co-operation with specific wholesale customers as well as closure of own stores, but at the same time enhanced quality of revenue. Furthermore, we have improved the co-operation with our wholesale customers, opened 48 new stores, primarily within the franchise segment, and expanded our e-commerce revenue substantially.

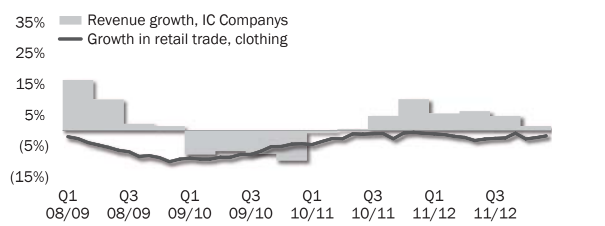
The economic climate still faces major challenges which are reflected in both market conditions and consumer behaviour. We will thus continue to employ a stringent prioritisation of our resources as to ensure that all initiatives contribute to supporting the strategic priorities.

This means that investments within growth and internationalisation activities are aimed at Group brands within the segment Premium whereas Group brands in the segments Mid Market and Fast Fashion are to concentrate efforts on their primary markets, primarily within Scandinavia.

All of the Group's three primary markets reported revenue growth higher than the average retail trade for the clothing industry (please see right hand column). These markets will also be a top priority in coming years.

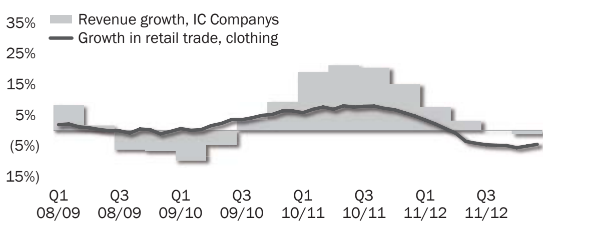
2011/12 has been characterised by a negative market trend registered with our wholesale customers as market conditions have been affected by cautious and reluctant consumer behaviour. This has clearly impacted on the

Development in Denmark, Trailing twelve months



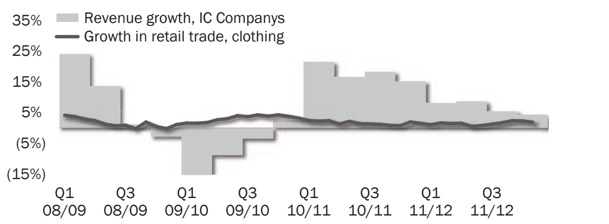
Source: Danmarks Statistik

Development in Sweden, Trailing twelve months



Source: Statistiska centralbyrån

Development in Norway, Trailing twelve months

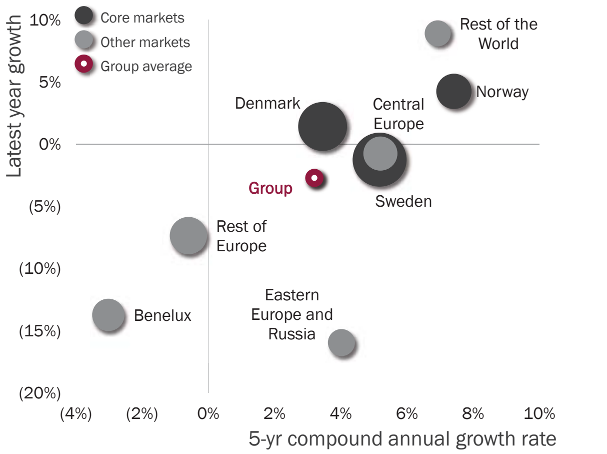


Source: Statistisk sentralbyrå

wholesale market. Furthermore, most of the governments in Northern Europe have implemented cost-saving programmes for the public sector contributing to a general consumer uncertainty which will also be reflected in the coming financial year. The development in consumer confidence indicates that Danish and Swedish consumers' outlook on the future has been negative for most of the financial year under review. The development in the apparel industry has generally been characterised by instability implying a high uncertainty factor. A setback of 6% for the Group's same-store retail sales was recorded for 2011/12.

Wholesale order intake for the important autumn collection was completed with a registered setback of 12% reported in local currencies whereas the minor winter collection is expected to record a setback of 5% reported in local currencies. This reflects that our wholesale customers are still facing difficulties, however, it also indicates a stabilisation.

Growth rates in the Group's markets



The Companys concept

The Group's Companys concept is a leading multi-brand franchise concept with more than 30 stores located in Denmark, Finland, Norway, Sweden and Switzerland. The concept was invented more than 25 years ago when the first store opened the doors on the shopping street Strøget in the centre of Copenhagen, Denmark. The stores sell the following six female Group brands; InWear, Part Two, Designers Remix, Tiger of Sweden, Soaked in Luxury and Saint Tropez.

The Companys concept represents a growth driver for the Group, primarily within Scandinavia, as this concept offers the wholesale customers an attractive opportunity to achieve a wide range of products in a structured and analysis-based product flow.

To support this role as a growth driver, the concept's flagship store "Companys Original", located on Strøget in Copenhagen, went through a thorough renovation during Q3 2011/12. With this offensive investment the store concept has been revitalised in accordance with international shopping trends. The new store is expected to achieve good performance and will furthermore serve as a laboratory where new ideas are tested and refined before they are launched to the rest of the stores in the Companys chain. During the financial year under review 8 new Companys franchise stores were opened.

MANAGEMENT COMMENTARY; *SOLID CASH FLOW* IN SPITE OF CHALLENGING MARKET CONDITIONS

Consolidated revenue for 2011/12 amounted to DKK 3,819 million corresponding to a reduction of 3% compared to 2010/11. Efficient price campaigns and sales promoting activities resulted in the Group being able to retain its market position, but did at the same time, however, increase the pressure on the Group's gross margin which suffered a substantial decline. The Group has embarked on a number of structural changes to reduce the cost base which started to have an impact in H2 2011/12. Consolidated operating profit for 2011/12 amounted to DKK 130 million corresponding to a setback of 60%. However, the sales promoting efforts ensured a solid cash flow and a positive inventory development.

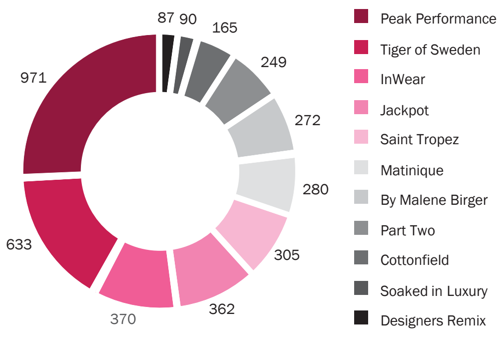
Revenue development

Consolidated revenue for 2011/12 amounted to DKK 3,819 million (DKK 3,925 million) corresponding to a setback of 3%. Revenue for H1 2011/12 was at the same level as H1 2010/11 whereas revenue for H2 2011/12 suffered a setback of 6% compared to H2 2010/11. This financial year has been challenging and both of the Group's segments reported lower revenues than expected at the beginning of the financial year under review. The retail segment declined and the wholesale segment reported growth for H1 2011/12 whereas both segments suffered setbacks for H2 2011/12. Both segments also declined during Q4 2011/12 where a revenue setback of 5% was reported.

Revenue for 2011/12 has been affected negatively by net store openings and store closures amounting to DKK 5 million and positively by foreign currency translations of DKK 24 million. Since foreign currency exposure risks generally are hedged, the total earnings, as a consequence of foreign currency fluctuations, are considerably lower.

Consolidated revenue for the year under review is illustrated by brand and geographic breakdowns as follows.

Group brands measured by revenue for 2011/12

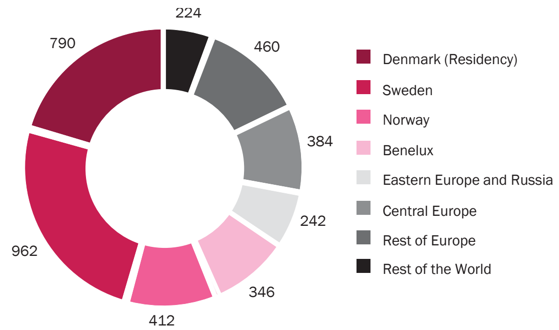


Group brands

The adverse development of the Group's revenue embraces a large variety of different trends in the individual Group brands. The Group brands Tiger of Sweden, By Malene Birger and Soaked in Luxury generated growth whereas Jackpot and Cottonfield were affected severely by the markets conditions and large exposure towards retail in Eastern Europe and Germany. The Group brand Peak Performance, which reported a marginal setback, has been affected by inadequate internal processes as well as the extraordinarily warm winter weather experienced during the beginning of the skiing season.

The Group brands Tiger of Sweden, By Malene Birger, Soaked in Luxury and Designers Remix all reported growth for Q4 2011/12 whereas the remaining Group brands suffered setbacks. The Group brands InWear and Matinique were affected negatively by sale of stores in the Benelux countries.

Geographic segments measured by revenue for 2011/12



Group geographic markets

The Group geographic markets Denmark and Norway reported growth for the financial year 2011/12. Norway still enjoyed a very high consumer confidence whereas Denmark, in spite of a reported negative development in consumer confidence, generated growth, however, this was only achievable due to the increased sales activities. The market Sweden reported a modest decline in spite of challenging market conditions and was in particular affected by the development in the Group brand Peak Performance. Nevertheless, the Group achieved revenue development in all three Scandinavian markets which was higher than the average level for retail trade in the apparel industry.

The market segments Benelux countries, Eastern Europe and Russia suffered significant setbacks both as a consequence of sale of stores and the adverse market development. In the market Poland the consumer confidence has been under a substantial pressure since November 2011.

The Group entered into selected partnerships in few new markets and the market Rest of the World thus generated growth for 2011/12.

The market segments Denmark, Norway and Rest of the World also reported growth for Q4 2011/12 whereas Benelux countries, Eastern Europe and Russia continued to decline significantly.

Wholesale segment

Total wholesale revenue for the financial year 2011/12 amounted to DKK 2,356 million (DKK 2,395 million) corresponding to a setback of 2%. Pre-order revenue declined by 2% while in-season sales rose by 1%. This includes franchise revenue which rose by 19% compared to last financial year. However, the challenging market conditions have resulted in a higher rate of discounts, returns and cancellations which had a significant impact on the wholesale revenue for most of 2011/12.

The wholesale revenue for Q4 2011/12 declined by 3%. This setback reflects a pre-order revenue reduction of 4% and an in-season sales decline of 2%. Franchise revenue, which is included in these figures, recorded growth of 21%.

This development should be compared against the positive effect from the Group's planned change in delivery flows resulting in the Group's products generally being delivered more punctually from the producers and then consequently delivered earlier to the stores. The change in delivery flows had a positive impact on the revenue by DKK 13 million for the financial year 2011/12 (positive impact of DKK 33 million) and a negative impact on the revenue by DKK 7 million for Q4 2011/12 (positive impact of DKK 13 million)

Operating profit for the wholesale segment 2011/12 declined by 22% to DKK 317 million (DKK 404 million) corresponding to an EBIT margin of 13.5% (16.9%). The reduced EBIT margin is primarily attributable to a significant pressure on the Group's gross margin which declined by 2.1 percentage points as a consequence of rising sourcing costs

Group distribution channels

	Compulsory reporting of segments									
	Wholesale		Retail		Total		Non-allocated items		Group total	
DKK million	2011/11	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11
Revenue	**2,355.5**	**2,394.8**	**1,463.6**	**1,530.6**	**3,819.1**	**3,925.4**	**-**	**-**	**3,819.1**	**3,925.4**
Growth (%)	*(2)*	*13*	*(4)*	*11*	*(3)*	*12*	-	-	*(3)*	*12*
Gross profit	**1,213.5**	**1,282.8**	**940.9**	**1,038.8**	**2,154.3**	**2,321.6**	**-**	**-**	**2,154.3**	**2,321.6**
Gross margin (%)	*51.5*	*53.6*	*64.3*	*67.9*	*56.4*	*59.1*	-	-	*56.4*	*59.1*
Operating profit	**316.9**	**404.3**	**(39.5)**	**77.0**	**277.4**	**481.3**	**(147.0)**	**(160.0)**	**130.4**	**321.3**
EBIT margin (%)	*13.5*	*16.9*	*(2.7)*	*5.0*	*7.3*	*12.3*	-	-	*3.4*	*8.2*
Net financials	-	-	-	-	-	-	(0.7)	(13.4)	(0.7)	(13.4)
Profit before tax	**316.9**	**404.3**	**(39.5)**	**77.0**	**277.4**	**481.3**	**(147.7)**	**(173.4)**	**129.7**	**307.9**
Tax on profit for the year	-	-	-	-	-	-	(40.3)	(61.6)	(40.3)	(61.6)
Profit for the year	**316.9**	**404.3**	**(39.5)**	**77.0**	**277.4**	**481.3**	**(188.1)**	**(235.0)**	**89.4**	**246.3**

and deterioration of the market conditions. Furthermore, the costs were affected negatively by DKK 24 million (positively by DKK 12 million) as a consequence of write-downs of trade receivables. The development of the market conditions caused the Group's wholesale customers to experience a lower ability to pay during H2 2011/12 which consequently led to increased provisions. Nevertheless, the Group did not register a higher rate of bad debt for 2011/12 compared to 2010/11. After having adjusted for write-downs, the cost rate of the wholesale segment was thus at the same level as 2010/11.

The wholesale performance for Q4 2011/12 amounted to an operating loss of DKK 31 million which constitutes a setback of DKK 19 million compared to Q4 2010/11. This development reflects a cost rate increase of 7.4 percentage points as well as an improvement of the gross margin of 1.8 percentage points. The costs were affected by increased write-downs of trade receivables while the level of products adjusted to the activity has resulted in less discounts and cancellations for Q4 2011/12. In addition to this, the Group registered a declining pressure on its sourcing costs for Q4 2011/12.

During 2011/12 the Group opened 39 new franchise stores and closed down 14 stores. Two of these closed stores were turned over to the Group and converted into own retail stores. In total this results in a net influx of 4,600 square metres. The Group thereby offers services for 187 franchise stores with a total store area of 29,700 square metres.

Franchise stores	Existing 30 June 2012	Opened 12 months	Closed 12 months
Denmark	27	5	1
Sweden	23	6	2
Norway	11	3	1
Benelux countries	20	5	7
Eastern Europe and Russia	41	13	2
Central Europe	35	2	1
Rest of Europe	14	2	-
Rest of the World	16	3	-
Total	**187**	**39**	**14**

The total order intake for the autumn collection 2012 decreased by 12% after having translated into local currencies. It is expected that the total order intake for the Group, including Saint Tropez and Soaked in Luxury, for the winter collection 2012 will decrease by 5% reported in local currencies.

Retail segment

Total retail revenue for 2011/12 amounted to DKK 1,464 million (DKK 1,531 million) corresponding to a setback of 4%. Retail revenue was negatively affected by net store openings and store closures of DKK 5 million. Same-store sales for 2011/12 reported a decrease of 7% and the revenue per square metre for the year amounted to DKK 29,000 (DKK 31,100). The outlet revenue constituted 12% of the total retail revenue and brought down same-store sales by 1 percentage point.

The Group reported a retail revenue setback of 8% while the same-store sales recorded a setback of 9% for Q4 2011/12. Outlet revenue constituted 11% of the total retail revenue, but did, however, reduce same-store sales by 1 percentage point.

The retail performance for 2011/12 amounted to an operating loss of DKK 40 million (profit of DKK 77 million) corresponding to a reduction of DKK 117 million compared to 2010/11. The year under review has been marked by extensive sales activities which have had a negative impact on the gross margin. The challenging market conditions leading to reduced same-store sales and lower sales than expected in newly opened stores affected the operating profit for the retail segment unfavourably. This has particularly had an effect on the Group's brands in the Mid Market segment.

As a consequence of the dissatisfying performance and in alignment with the corporate strategy, the number of stores in the Mid Market segment will be reduced significantly. This process was already initiated in H2 2011/12 which has affected the financial year under review negatively both in terms of operational performance as well as non-recurring costs which amounted to DKK 10 million.

Finally, the financial year 2010/11 was affected positively by sales proceeds of DKK 8 million.

The retail performance for Q4 2011/12 amounted to an operating loss of DKK 11 million (profit of DKK 9 million) corresponding to a setback of DKK 20 million which is attributable to an adverse development of the cost rate by 5.0 percentage points caused by a significant same-store decline.

During the financial year 2011/12 the Group opened 22 new stores and 21 were closed. Two of the new franchise stores were handed over to the Group. 8 stores which have been sold in Holland are included in the number of closed stores. Furthermore, the Group has opened 26 concessions and closed down 4. In total this results in a net reduction of 1,300 square metres and brings the Group's total retail store area to 48,200 square metres distributed between 215 stores and 97 concessions.

Retail stores*	Existing 30 June 2012	Opened 12 months	Closed 12 months
Denmark	57	3	4
Sweden	38	9	1
Norway	10	1	-
Benelux countries	15	-	10
Eastern Europe and Russia	64	4	4
Central Europe	24	2	-
Rest of Europe	7	3	1
Rest of the World	-	-	1
Total	**215**	**22**	**21**

Retail concessions	Existing 30 June 2012	Opened 12 months	Closed 12 months
Denmark	30	5	2
Sweden	31	13	1
Norway	2	-	-
Benelux countries	26	-	1
Eastern Europe and Russia	-	-	-
Central Europe	-	-	-
Rest of Europe	8	8	-
Rest of the World	-	-	-
Total	**97**	**26**	**4**

*32 outlets constituting 7,500 square metres (7,200 square metres) are included in the Group's own stores. During the past 12 months 8 outlets were opened and 4 outlets were closed.

For further details of Group segments, please see note 3 Segment information to the consolidated financial statements.

Earnings development

Gross margin affected by challenging market conditions

Gross profit for 2011/12 amounted to DKK 2,154 million (DKK 2,322 million) corresponding to a decline of 7%. A price pressure from both the suppliers in the sourcing chain and the customers in the distribution chain together with rising raw material prices have exerted a negative pressure on the gross margin.

The gross margin for 2011/12 was 56.4% (59.1%) corresponding to a setback of 2.7 percentage points compared to 2010/11. The majority of this setback is attributable to the pressure from the Group's sourcing chain which as a starting point has had a negative impact on the gross margin by 2.4 percentage points. The gross margin was furthermore unfavourably affected by 0.8 percentage points due to the development in the Group's primary sourcing currencies. However, this adverse development in the Group's sourcing currencies was compensated by a positive development of 1.1 percentage points in the Group's primary sales currencies. In addition to this, a higher rate of discounts and cancellations has also affected the gross margin negatively by 0.5 percentage points.

The development of the gross margin reflects the substantial external pressure being exerted on the Group's distribution and sourcing. The Group's sourcing structure and continuous optimisations are expected to contribute to an enhanced gross margin in both the short and long terms.

Gross profit for Q4 2011/12 amounted to DKK 397 million (DKK 421 million) corresponding to a decrease of 6%.

The gross margin for Q4 2011/12 was 58.4% (58.1%) corresponding to an increase of 0.3 percentage points compared to Q4 2010/11. During Q4 2011/12 the pressure on the Group's sourcing chain has been abating, but did still affect the gross margin adversely by 0.8 percentage points. During the first three quarters of the financial year under review the Group worked on reducing its inventories through clearing of products out-of-season. The reduced level of products adjusted according to the lower activity level had a positive impact on the gross margin. The development of inventory write-downs thus affected the gross margin positively by 1.9 percentage points while a lower rate of discounts and cancellations improved the gross margin by 1.3 percentage points. However, these improvements were exceeded by the effect from accruals during Q4 2011/12.

Declining sales exert pressure on the cost rate

Consolidated costs including other operating income and costs for 2011/12 amounted to DKK 2,024 million (DKK 2,000 million) corresponding to an increase of 1%. The cost rate for the year under review was 53.0% (51.0%) and thus increased by 2.0 percentage points which is attributable to the fact that the rollback of planned growth initiatives delayed the adjustments of consolidated costs to the challenging market conditions.

The capacity costs were affected unfavourably by non-recurring costs for provisions of structural changes. The Group has thus embarked on a process of terminating the leases for shared showrooms, sale of store leases and closure of loss-making stores. These measures resulted in net non-recurring costs of DKK 23 million after having adjusted for sales proceeds. Write-downs of non-current assets in the retail segment of DKK 14 million are included in this amount. These non-recurring costs have been recognised in Q2 2011/12.

The capacity costs were furthermore affected negatively by a higher rate of provisions for bad debts, since an increasing number of the Group's customers experienced financial and payment difficulties. This development had a negative impact of DKK 24 million (positive impact of DKK 12 million).

After having adjusted for non-recurring costs, sales proceeds and the adverse development of the Group's receivables in both 2011/12 and 2010/11, consolidated costs for 2011/12 were reduced by DKK 27 million compared to 2010/11.

The foreign currency development was unchanged compared to last financial year whereas the net effect of store openings and store closures in the retail segment for 2011/12 increased the cost base by DKK 5 million compared to 2010/11.

Consolidated costs for Q4 2011/12 amounted to DKK 468 million (DKK 465 million) corresponding to an increase of 1%. In Q4 2011/12 the rising consolidated costs also reflected the unfavourable development of the Group's customers as the Group's receivables were affected negatively by DKK 11 million (positively by DKK 6 million) compared to 2010/11. However, after having adjusted for the development of receivables, the consolidated costs were DKK 10 million lower compared to 2010/11 corresponding to a reduction of 2%.

Reduced operating profit

Consolidated operating profit for 2011/12 amounted to DKK 130 million (DKK 321 million) which corresponds to a setback of 60% and an EBIT margin of 3.4% (8.2%).

Operating loss for Q4 2011/12 amounted to DKK 71 million (loss of DKK 44 million) which corresponds to a decline of DKK 27 million.

As the Group's revenue and earnings targets for the financial year under review were not achieved, no warrants will be granted to the Executive Board and other executives for the financial year 2011/12. Furthermore, the Executive Board will not be awarded any cash bonuses for the financial year 2011/12.

Net financials

Net financials for 2011/12 totalled costs of DKK 1 million (costs of DKK 13 million) which is a reduction of DKK 12 million. Net financials for 2011/12 were affected positively by gain on derivative financial instruments of DKK 8 million as opposed to the net financials for 2010/11 which were affected negatively by loss on derivative financial instruments of DKK 4 million.

Net financials for Q4 2011/12 totalled an income of DKK 4 million (costs of DKK 4 million) which is an improvement of DKK 8 million.

Tax on profit for the year

Tax expense for 2011/12 was recognised in the amount of DKK 40 million (DKK 62 million) which constitutes 31% (20%) on profit before tax.

The higher tax rate compared to last financial year is primarily attributable to the fact that the Group reassessed its tax assets in 2010/11 and the tax carried in the income statement was thus affected positively by DKK 15 million.

Tax payable amounted to DKK 39 million (DKK 43 million) and is composed by tax payments in countries in which the Group has no tax assets or cannot offset such assets in full against the revenue for the year. An amount of DKK 13 million of the tax assets recognised in previous years was utilised corresponding to a tax value of DKK 3 million.

Profit for the year

Profit for 2011/12 was reduced by 64% to DKK 89 million (DKK 246 million).

Comprehensive income

Comprehensive income for 2011/12 amounted to DKK 157 million (DKK 186 million). The comprehensive income was positively affected by adjustments deriving from foreign currency hedging instruments by DKK 85 million (negative adjustment of DKK 67 million) and foreign currency translation adjustments regarding subsidiaries by DKK 11 million (negative adjustment of DKK 4 million).

Statements of financial position and cash flows

Statement of financial position

Consolidated assets rose by DKK 82 million to DKK 2,008 million as at 30 June 2012 (DKK 1,926 million) which is attributable to an increase of the consolidated current assets.

Non-current assets were reduced by DKK 48 million relative to last financial year which is primarily attributable to a reduction of the Group's property, plant and equipment and deferred tax which were not offset by the increase of the Group's intangible assets.

Consolidated intangible assets rose by DKK 19 million to DKK 281 million (DKK 262 million) primarily as a consequence of both foreign exchange translation of goodwill as the main part of the underlying value is denominated in SEK and increased investments in software and IT systems of DKK 20 million.

Property, plant and equipment decreased by DKK 38 million to DKK 338 million (DKK 376 million). In general the Group has invested less than the level of depreciation which is, among others, attributable to the fact that the Group has a larger part of franchise stores owned by partners who thereby carry the costs in connection with opening and leasehold improvements. Furthermore, the Group has engaged in fewer investments in showrooms and retail compared to previous years.

Current assets rose by DKK 129 million to DKK 1,285 million (DKK 1,156 million) due to an increase of the Group's receivables.

Inventories decreased by DKK 28 million to DKK 529 million for 2011/12 (DKK 557 million) which is attributable to the continued focus on reducing inventories and inventory risks by clearing products out-of-season. This has improved the age distribution of the Group's inventories compared to 30 June 2011. In addition to this the Group brands have adjusted their buying behaviour to the activity level in the market and the Group's changed delivery flows have resulted in the coming autumn merchandise being delivered earlier to the customers. As a consequence of this clearing, inventory write-downs were reduced by DKK 14 million to DKK 107 million (DKK 121 million) and the inventory turnover rose to 2.7 compared to 2.5 for 2010/11.

Trade receivables rose by DKK 34 million to DKK 392 million (DKK 358 million) as at 30 June 2012. Gross trade receivables rose by DKK 41 million to DKK 448 million (DKK 407 million). This development reflects the Group's planned change in delivery flows resulting in collections being delivered earlier to the stores. Furthermore, the age distribution of trade receivables was deteriorated. Measured on days sales outstanding, an increase of 9 days has been reported compared to last financial year. Write-downs of trade receivables consequently rose by DKK 7 million to DKK 56 million (DKK 49 million).

Other receivables rose to DKK 137 million (DKK 45 million) which is primarily attributable to the fact that accrual of financial foreign exchange contracts last year included a non-realised gain of DKK 2 million compared to a non-realised gain of DKK 76 million for the year under review. This gain is primarily a result of rising sourcing currencies throughout the financial year 2011/12.

Prepayments rose by DKK 2 million which is attributable to an increase in the accrued value of leases.

Furthermore, cash and cash equivalents increased by DKK 29 million to DKK 83 million (DKK 54 million).

After adjusting for non-cash funds, the total working capital amounted to DKK 410 million (DKK 441 million) which is a decrease of DKK 31 million compared to last financial year. The working capital constitutes 11% of revenue for the year under review (11%).

Long-term liabilities amounted to DKK 247 million and were at the same level as at 30 June 2011.

Current liabilities decreased by DKK 8 million to DKK 930 million (DKK 938 million). Liabilities to credit institutions were reduced by 34 million whereas trade payables rose by DKK 48 million. Other liabilities were reduced by DKK 30 million to DKK 324 million (DKK 354 million) which is primarily attributable to a decrease of unrealised loss on financial contracts of DKK 40 million. Other costs payable rose by DKK 26 million.

Statement of cash flows

Consolidated cash flow from operating activities for 2011/12 amounted to an inflow of DKK 258 million (inflow of DKK 180 million) corresponding to an increase of DKK 78 million which is primarily attributable to targeted efforts in the Group brands focussing on sales promoting activities and campaigns. The Group has thus achieved a reduction of DKK 31 million in the tied-up working capital as opposed to an increase of DKK 236 million in the tied-up working capital last financial year.

Investments for 2011/12 amounted to DKK 108 million (DKK 103 million) corresponding to an increase of DKK 5 million and remained on the same level as 2010/11. The investments were primarily employed for interior design of new stores and IT.

Consolidated cash flow from financing activities for 2011/12 amounted to an outflow of DKK 87 million (outflow of DKK 143 million).

Total consolidated cash flow for 2011/12 amounted to an inflow of DKK 64 million (an outflow of DKK 66 million) corresponding to an increase of DKK 130 million.

Cash situation

As at 30 June 2012 consolidated net interest-bearing debt amounted to DKK 248 million (DKK 311 million) corresponding to a decline of DKK 63 million compared to 30 June 2011.

As at 30 June 2012 the Group's total credit facilities including banker's credit and guarantees constituted DKK 1,097 million (DKK 1,166 million) in terms of withdrawal rights of which an amount of DKK 331 million has been drawn in relation to current and non-current liabilities to credit institutions and an amount of DKK 174 million has been drawn for trade finance facilities and guarantees. Undrawn credit facilities thus amounted to DKK 592 million. All credit guarantees, except from the Group's loan in the corporate head office, are standby credits which may be drawn with a day's notice. The withdrawal rights have at no point in time during the financial year 2011/12 exceeded 50%, including provisions for trade finance facilities, bank guarantees, etc. Therefore, the Group expects to reduce its credit facilities during 2012/13.

Equity

Equity as at 30 June 2012 increased by DKK 88 million to DKK 831 million compared to 30 June 2011 (DKK 743 million) which is primarily attributable to profit for the year and positive fair value adjustments on foreign currency hedging instruments whereas payment of dividend reduced equity by DKK 77 million. Equity ratio as at 30 June 2012 amounted to 41.4% (38.6%).

Events after the reporting period

No material events have taken place after the reporting period that have not been recognised or included in the Annual Report.

CORPORATE RESPONSIBILITY IN IC COMPANYS

Our corporate responsibility framework of People, Planet and Profit is based on international principles and the UN Global Compact. Our work with these principles has played an important role in guiding our Company in making the right decisions while at the same time contributing to our readiness to meet future challenges. By matching our overall framework with policies and processes allocated to the relevant functional departments, we have created a solid foundation for our corporate responsibility work.

Corporate responsibility policy

In IC Companys we recognise that we are part of an industry with corporate responsibility (CR) challenges both in terms of complex supply chains and resource challenges. We take these challenges seriously and have adopted an overall approach of making sure that we are not a barrier to sustainable development. However, we would like to take it one step further and where possible work towards turning these challenges into opportunities. We therefore strive at employing our creativity and strong innovation skills to make a difference and contribute to sustainable development.

For IC Companys, CR is not only about reassuring that our products comply with our high quality standards and fulfill the customers' expectations, but also that they are produced responsibly. We consider CR to be an integrated part of our business and an essential element in our Company's profitability. Furthermore, our work with CR plays an important role in making sure IC Companys is ready to meet future challenges.

IC Companys' CR efforts are based on the UN Global Compact's 10 principles which are rooted in internationally adopted declarations and conventions on human rights, labour rights, environmental protection and anti-corruption. We use these principles and the United Nations Guiding Principles as the overall framework to guide our CR policies and implementation processes.

We pledge to work pro-actively internally as well as externally with our suppliers to promote compliance with these principles. We will never be able to guarantee 100% compliance, but we strive to make a positive difference and set up due diligence processes to avoid non-compliance issues. Furthermore, we use our Compliance Hotline to enable access to remediation in cases of non-compliance.

A cornerstone in IC Companys' approach is a continuous assessment of our CR risks and opportunities. This is essential for our efforts in order to ensure compliance. Equally importantly it enables us to prioritise and allocate resources to where we can make the biggest impact. Moreover, we believe that for CR to be sustainable, it has to be integrated in the relevant functions within IC Companys and our brands. Consequently, we have thus assigned responsibility for our CR issues and CR targets to the relevant functions.

For a description of our full CR policy, please see our corporate website www.iccompanys.com.

Highlights 2011/12

Development of a new strategy and implementation framework

During this financial year our CR efforts have been characterized by the development of a new CR strategy including the development of CR policies and processes to guide the implementation of the strategy (see Figure 1).

To facilitate the implementation of the CR strategy and to achieve a common understanding of how we work with CR in IC Companys, all 11 Group brands and relevant functional departments in IC Companys have been through training sessions on CR.

The implementation framework described in Figure 1 provides us with guidance in our everyday CR work where the processes provide us with hands-on guidance on how we operationalise our work. However, the overall principles are also used as a guidance when we face a challenge or dilemma. Filling in the matrix is a continuous process which is aligned with our due diligence work.

Assessment of challenges and opportunities

During 2011/12 we embarked on an analysis of our CR challenges and opportunities. This has resulted in an even sharper CR focus and a more strategic work within the areas where we can make the biggest impact. This has led to a process where we have focused on involving CR issues during the creative process and before the actual production is started. In this way we can work more proactively with CR which at the same time has an effect on our entire value chain.

Education – a cornerstone of our work

We find it very important to be able to continuously identify what we can do to facilitate that our suppliers run more sustainable operations. Consequently, we have during the last 12 months put a lot of emphasis on building the competences among our own staff in order for them to be able to identify where to take action. At the same time they will be well-prepared for potential situations where their decisions may cause challenges for the suppliers in respect of compliance.

Working with our suppliers

We see our suppliers as critical partners in our CR efforts. Consequently, using a partnership approach to promote responsible supply chain management has been a main focus area during this financial year. This has included not only assisting our suppliers to find the most responsible solutions but also listening to our suppliers' ideas on how we can improve our CR performance. Furthermore, we have developed a supplier scorecard which in addition to parameters like quality, price and delivery also includes CR parameters. This is used as a tool to further promote dialogue with the suppliers and emphasise our focus on CR performance as an important aspect of being an IC Companys supplier.

Support to Work2Learn

We have continued our support of the Work2Learn project in Bangladesh which among other has succeeded in developing an Occupational, Health and Safety Policy for Underprivileged Children's Educational Programs (UCEP). This financial year a total of 50 students (100 students in total) have now gone through the Work2Learn training program at UCEP as well as apprenticeships at five local host corporations. Furthermore, closer links have been forged between the training institution (UCEP) and the industry, which provides the institutions with crucial knowledge on what skills and competences are required in the industry.

Non-compliance issues

We started this financial year with a case of five non-compliance issues in terms of harmful chemicals which led to negative press coverage. To become even better at handling such challenges we set in motion a number of initiatives. One of the most important ones was to further strengthen the competences and resources of our HQ Knowledge center as well as the competences of our brand sourcers. The

	PEOPLE	**PLANET**	**PROFIT**
PRINCIPLES	UNGC Principles 1-6	UNGC Principles 7-9	UNGC Principles 10
POLICIES	People CR policy	Planet CR policy	Profit CR policy
PROCESSES	Processes supporting the implementation of the People principles and policies	Processes supporting the implementation of the Planet principles and policies	Processes supporting the implementation of the Profit principles and policies

Figure 1 - 3 X 3 P's. Overall CR implementation framework - From Principles to Policies to concrete Processes.

Cutting unit in the South of India. IC Companys runs production in India via own production office in Delhi.

overall aim was to strengthen not only our preventative work – avoid that harmful chemicals enter our products in the first place – but also to be able to apply a risk matrix and test in a smarter way. This work has led to new processes being put in place and has already proven its worth. We have also provided training to our suppliers on how to avoid harmful chemicals. Furthermore, this has been followed up by guidance and dialogue on specific issues, e.g., with regards to finding alternatives to harmful chemicals, etc.

Though we put a lot of emphasis on education and on the preventive part of the equation, we also know that we do need to perform audits and tests to validate that our preventive focus works. Consequently, we have also worked hard the last year to put more knowledge into the testing so that we now have a much deeper knowledge and more developed systems which allows us to run smarter and more comprehensive tests than previously.

Litmus test of our approach

Our new processes and approach were put to the test by the Norwegian authorities in the spring of 2012. The Norwegian Climate and Pollution Agency (KLIF) picked ten of our styles and invited us to Norway for a full day meeting with the aim of receiving documentation and test reports showing that the styles were in compliance with existing Norwegian as well as EU legislation (REACH – Registration, Evaluation, Authorisation and Restriction of Chemical substances). The meeting started with an explanation of our policies and processes for avoiding harmful chemicals in our products. This was followed up by an in-depth questions and answers session where we provided information on why we had and had not chosen to test the styles based on our risks assessments. The meeting ended with the Norwegian authorities congratulating us for our work and saying that we were one of the best companies they had ever examined. This event was subsequently featured in the Norwegian Textile Forum magazine.

This story shows how we have gone from a relatively reactive approach to working with harmful chemicals to now working more proactively and knowledge-based than previously.

Anti-corruption policy

To support our work on applying a zero tolerance against corruption we have developed a comprehensive anti-corruption policy. The overall aim of the policy is to ensure a non-corruptive business environment throughout the value chain of our Company. We work actively to comply with all applicable anti-bribery laws in force in all countries where we do business. This is also in alignment with our membership of the UN Global Compact and the 10th principle on working against corruption in all its forms, including extortion and bribery.

This policy sets out certain overall principles to be adhered to by all managers and employees of IC Companys and by our agents, suppliers, consultants and similar business partners appointed to act on our behalf anywhere in the world. Furthermore, the policy is aligned with the requirements in the UK Bribery Act.

Compliance Hotline

IC Companys has established a Compliance Hotline allowing employees/managers and agents working on our behalf to report suspected misconduct in a secure and confidential way. The Compliance Hotline plays an important role in ensuring that IC Companys complies with all internal policies and regulatory requirements.

The objectives of the Compliance Hotline are twofold 1) to identify potential wrongdoings and non-compliance issues early and 2) to take action and thereby prevent problems from escalating. In other words the Compliance Hotline plays an important role in our risk management by protecting our credibility and reputation.

Targets for 2012/13

In the next financial year IC Companys will continue its strong support of the UN Global Compact Principles and will work hard to have even better systems in place for implementing our CR efforts across the board. This includes continuing our emphasis on creating strong partnerships with our suppliers through dialogue and education as vehicles for the development of a more sustainable supply chain. In 2012/13 attention will also be put on quantifying our work through focusing on data collection inspired by the Global Reporting Initiative (GRI) framework.

Furthermore we will focus on the following;

- roll-out of Compliance Hotline to all staff;
- roll-out of Anti-corruption Policy to all staff;
- full roll-out of Supplier Scorecard tool;
- increased transparency of supplier CR performance and ranking;
- continuous training and dialogue with preferred suppliers;
- active membership of BSCI including participation in working groups;
- continuous updating of our Restricted Substances List (RSL);
- tools and training on harmful chemicals for brands and production offices; and
- increased training for sourcing and design teams.

The above sections and the following schedule constitute the Statutory Annual Corporate Responsibility Statement, cf. section 99a of the Danish Financial Statements Act. For more information about our CR activities, please read our separate CR report on our corporate website www.iccompanys.com.

Stitching unit in the South of India. IC Companys runs production in India via own production office in Delhi.

Apprentices at a local Work2Learn host corporation in Bangladesh.

CR activities and results 2011/2012

PRINCIPLES	COMMITMENT	SYSTEMS	ACTIONS	RESULTS
People – Social responsibility				
Principle 1: Support and respect the protection of internationally proclaimed human rights	IC Companys supports and respects the Universal Declaration of Human Rights which is outlined in the UN Global Compact principles 1-6. We do this by continuously identifying and assessing potential adverse human rights impacts internally in IC Companys as well as with our suppliers. Furthermore, we use education both externally and internally	CR Integration in relevant departments, managed by Corporate CR Manager, who reports directly to the CEO	Internal CR training of all departments and brands (reaching 280 employees)	Increased awareness across the board in terms of CR challenges and opportunities
Principle 2: Make sure that we are not complicit in human rights abuses.		Consultation Committee with participation of management and employees representatives	Hired Corporate CR Manager Assessed CR risk and opportunities	Increased dialogue with suppliers on how to avoid identified potential non-compliance issues
Principle 3: Support freedom of association and the right to collective bargaining		CR standards included in Occupational Health and Safety (OHS) guidelines	Revised OHS guidelines	Improved OHS guidelines
Principle 4: Support elimination of all forms of forced and compulsory labour		Annual employee surveys Compliance Hotline	Employee survey	Employee survey results: Increased 'Satisfaction and Motivation & Loyalty' among ICC employees (up 1 point from last year)
Principle 5: Support the effective abolition of child labour		Business Social Compliance Initiative (BSCI) Code of Conduct (covering principles 3-6)	Input to and membership of BSCI capacity building work group	5,125 participants in BSCI workshops in 2011
Principle 6: Support elimination of discrimination in respect of employment and occupation			Assessment of suppliers using BSCI process	68% of the production deriving from countries with a high risk profile was from suppliers who had or were in the process of completing the BSCI auditing process
		Supplier scorecard incl. CR indicators linked to BSCI process	Initiated rating of our suppliers (Supplier Scorecard) according to progression in BSCI process	
			Global Sourcing Project	Reduction of suppliers in 2011-12 was 8% to a total of 349 (379)
			Work2Learn activities - Development of Health and Safety Policy - OHS upgrading of sewing, knitting and mechanics departments - Continued apprenticeship program for students	Work2Learn - Additional 50 students passed through education and apprenticeship program and gained valuable work experiences - UCEP gained increased knowledge of skills and competences required by the industry
			Jackpot support of Chetna Organic Farmers Association	10,800 farmers now reached through Jackpots support to the Chetna Organic Farmers Association up from 9,032 last year Jackpot winner of 'Best Organic Textile Product Award'
Planet – Environmental responsibility				
Principle 7: Support a precautionary approach to environmental challenges	IC Companys supports the UN Global Compact's principles for the environment. Practically we do this by continuously assessing our enviromental challenges and following the overall principle of taking a precautionary	HQ chemicals knowledge center	Two full days training seminar on how to avoid harmful chemicals for staff from all IC Companys' brands (reaching all sourcing managers as well as additional sourcing and design employees)	Increased competences of own staff and suppliers on how to avoid harmful chemicals in our products

PRINCIPLES	COMMITMENT	SYSTEMS	ACTIONS	RESULTS
Planet – Environmental responsibility				
Principle 8: Undertake initiatives to promote greater environmental responsibility Principle 9: Encourage the development and diffusion of environmentally friendly technologies	approach to environmental challenges. Furthermore, we focus on educating our staff to become even better at identifying where in the supply chain we can take action to reduce our impact on the environment and where we can work with our suppliers to facilitate that they, e.g., use environmentally friendly technologies	Database for monitoring test results on harmful chemicals Supplier scorecard incl. CR indicators on harmful chemicals Membership of Swerea –The Swedish Chemicals Group - which includes continuous updates on newest research and developments with regards to chemicals in textiles Compliance Hotline Fur Policy (under revision)	Extra chemicals training of HQ knowledge center including participaion in monthly Swerea meetings External training by industry expert on wet processing. – InWear: whole sourcing department as well as a 2 designers - Jackpot: whole sourcing and design departments Two days training session on sustainable fashion by the Sustainable Fashion Academy with paticipants from InWear, By Malene Birger, Designers Remix	
			Suppliers rated according to chemical performance	Increased transparency and awareness for suppliers with regards compliance with our RSL
			Training of 52 Chinese suppliers by MTS on how to avoid harmful chemicals	Increased knowledge of suppliers on how to avoid harmful chemicals
			One-on-One dialogue with and advice to suppliers on using non-harmful chemicals	
		Risk Matrix and supporting guiding documents for avoiding harmful chemicals	Updated RSL and risk matrix	Application of Risk Matrix on all styles to secure the 'right' products are tested for harmful chemicals
		Restricted Substance List (RSL)		Improved RSL covering latest REACH (Registration, Evaluation, Authorisation and Restriction of Chemical substances) developments
Profit – Financial responsibility				
Principle 10: Work against corruption in all its forms, including extortion and bribery	With regards to anti-corruption, we support the 10th principle of the UN Global Compact and apply a zero tolerance approach against corruption in all its forms, including extortion and bribery. To further safeguard our Company against illegal activities and to identify corrupt practices, we apply our Compliance Hotline which provides a confidential system through which employees can report misconduct	Anti-corruption Policy Compliance Hotline Code of Conduct	Established Anti-corruption Policy Established Compliance Hotline	

IC COMPANYS' WORK WITH *CORPORATE GOVERNANCE*

IC Companys places great emphasis on assuring common interests between shareholders, the Executive Board and other executives. Group Management is thus subject to continuous development and monitoring. The objective is to ensure an efficient, suitable, appropriate and sound management of IC Companys which is accordance with the prevailing recommendations on Corporate Governance.

The following sections constitute the Statutory Annual Corporate Governance Statement, cf. section 107b of the Danish Financial Statements Act.

The Board of Directors of IC Companys considers its primary task to promote the long-term interests of the Company and thus of all shareholders. This task is handled at six board meetings a year and through an ongoing dialogue between the Chairmanship and the Executive Board.

As expressed in IC Companys' Corporate Governance schedule, the Board of Directors has reviewed the Group's relationship with its stakeholders as well as the tasks of the Board of Directors and the Executive Board and their interaction with each other. The Corporate Governance schedule may be downloaded from the corporate website www.iccompanys.com under Investors/Corporate Governance.

The schedule serves as a framework for IC Companys' Management in connection with, e.g., the planning of working procedures and principles of;

- the Group's relationship with its stakeholders, including the public and the press;
- the Group's external communication, including its Investor Relations Policy;
- the tasks and composition of the Board of Directors, including its rules of procedures;
- the tasks of the Executive Board, including its rules of procedures;
- the relationship between the Board of Directors and the Executive Board; and
- the remuneration and incentive programmes for the Company's Management and employees.

This framework is intended to ensure an efficient, suitable, appropriate and sound management of IC Companys. The framework has been prepared within the scope defined by IC Companys' Articles of Association, business concept, vision, mission and corporate values as well as the prevailing legislation and rules applicable for Danish listed companies.

For more information on capital structure and ownership structure, please see the section on Shareholder information and share performance on page 52. In case of completed acquisition offers, no significant agreements will be affected.

Articles of Association

Amendments and changes to the Articles of Association must be adopted at a general meeting. All resolutions at the general meeting may only be adopted by simple majority unless the Danish Companies' Act stipulates specific regulation regarding presentation and majority.

In the event of an equality of votes, the resolution in question is decided by drawing of lots.

The article defining majority may only be amended if at least nine-tenths of the total votes at a general meeting vote in favour of such amendment.

The voting procedure at the general meeting takes place by show of hands unless the general meeting resolves to take a poll, or the Chairman of the meeting deems a pool desirable.

Board of Directors

The Company's Board of Directors consists of four to eight members being elected at the annual general meeting for one-year terms. Members may be re-elected, however, when a member reaches the age of 70, the member must resign from the Board at the first coming annual general meeting.

Prior to the election process of board members at the annual general meeting, all information regarding each candidate's occupations, membership of board committees or other committees in both Danish as well as foreign companies, except from wholly-owned subsidiaries, must be disclosed.

The Board of Directors is composed with emphasis on extensive experience within both the fashion industry and general management. It is furthermore emphasised that the Board of Directors collectively has a professional broad spectrum, extensive experience and documented strategical and managerial competences to the effect that the Board of Directors can perform their tasks in the best possible way.

When assessing the nomination of new candidates, the need for integration of new talent and the need for diversity in relation to, e.g., international experience, gender and age are considered.

IC Companys has signed "Recommendation for more women on supervisory boards" and it is our target, over the coming years, to work consistently to recruit more female managers in the Company in general and increase the number of female candidates to the supervisory boards of Danish limited liability companies. The proportionate share of females in IC Companys' Board of Directors constitutes 17% at 30 June 2012 and the Group works continuously to recruit and develop new female managers.

The employees of IC Companys have chosen not to apply the provisions of the Danish Companies Act on employee representation on the Board of Directors.

Corporate Governance recommendations

The Group is subject to compliance with the recommendations of Corporate Governance issued by the Committee of Corporate Governance which are available at www.corporategovernance.dk.

In compliance with the recommendations from NASDAQ OMX Copenhagen, the Board of Directors has assessed the need for establishing additional board committees, including an audit committee, a remuneration committee and a nomination committee. As a result of this, the Board of Directors has appointed an Audit Committee and a Remuneration Committee. Furthermore, the Board of Directors will on an ongoing basis assess the need for establishing other particular ad hoc committees.

The Audit Committee monitors the financial reporting process and estimates whether the Company's internal control and risk management systems operate in an efficient manner. Furthermore, the Audit Committee monitors the statutory auditing of the annual report and makes proposal, for the approval of the entire Board of Directors, on the appointment of auditors. Finally, the Audit Committee monitors and controls the auditor independence, including, in particular, additional services rendered to IC Companys A/S and its subsidiaries. The Audit Committee meets at least three times a year to undertake its assigned tasks.

The Remuneration Committee makes proposals, for approval of the Board of Directors, on the Remuneration Policy, including the general guidelines for incentive pay of the Company's Board of Directors and the Executive Board. Furthermore, the Remuneration Committee makes proposals to the Board of Directors on remuneration for members of the Board of Directors and the Executive Board and ensures that the remuneration is consistent with the Company's Remuneration Policy. Finally, the Remuneration Committee oversees that the information in the annual report on the remuneration for members of the Board of Directors and the Executive Board is correct, true and sufficient. The Remuneration Committee meets at least two times a year to undertake its assigned tasks.

The Board of Directors conducts an annual self-evaluation in order to, systematically and based on unequivocal criteria, evaluate the performance of the Board of Directors, the Chairman and the individual members.

IC Companys complies - except from two issues explained in the following sections - with the Recommendations on Corporate Governance of August 2011 by NASDAQ OMX Copenhagen which are based on the Recommendations from the Committee on Corporate Governance.

NASDAQ OMX Copenhagen recommends that the supreme governing body establishes a nomination committee. In general, the Chairmanship of the Board of Directors undertakes the preparatory tasks which are recommended to be assigned to a nomination committee. Taking the size and structure of IC Companys into account, it is not deemed expedient to establish such a nomination committee.

NASDAQ OMX Copenhagen recommends that the total remuneration granted to each member of the supreme governing body and the executive board by the company and other consolidated companies be disclosed in the financial statements. This Annual Report includes the scope of the total specified remuneration and other material benefits of the Board of Directors and the Executive Board. All material factors concerning share-based incentive programmes are disclosed including information about all incentive paid members and the aggregated incentive pay of the Executive Board. The aggregated remuneration of each individual member of the Executive Board and the Board of Directors is not disclosed as recommended. The Board of Directors has concluded that disclosure of the collective remuneration satisfies the consideration requirements.

The principles and the scope of the remuneration to the Board of Directors and the Executive Board are disclosed under the following section Remuneration Policy and under note 4 to the consolidated financial statements.

Financial reporting and internal controls

The Group's risk management and internal controls in connection with its financial reporting are planned with a view to reduce the risk of material errors and omissions in the financial reporting.

The Board of Directors and the day-to-day management regularly assess material risks and internal controls in connection with the Group's financial reporting process.

The Board of Directors has appointed an Audit Committee which regularly monitors the financial reporting process and estimates whether the internal control systems operate in an efficient and adequate manner, including new financial reporting standards, significant accounting policies and accounting estimates and assumptions.

The Audit Committee reports to the entire Board of Directors.

The Board of Directors monitors and reviews the independence of the external auditors and monitors the planning, execution and the opinion of the external auditors.

The Board of Directors and the Executive Board define the guidelines for procedures and internal controls to which compliance must be kept. These include;

- continuous follow-up on achieved targets and results in relation to approved budgets;
- guidelines for general management;
- Code of Conduct;
- Finance Policy;
- Insurance Policy;
- Investor Relations Policy;
- internal rules; Dealing in IC Companys shares and related financial instruments;
- Remuneration Policy and general guidelines for incentive pay of the Executive Board; and
- Rules of Authority.

The adopted policies, guidelines and procedures are updated and communicated on a regular basis.

Any material weaknesses, inadequacies and violation of adopted policies, procedures and internal controls are reported to the Board of Directors and the Audit Committee.

Remuneration Policy

The complete Remuneration Policy of IC Companys is available on the corporate website www.iccompanys.com.

Severance agreements for members of the Executive Board and other executives include a notice of termination of twelve months as a maximum.

With the purpose of promoting common interests between shareholders, the Executive Board and other executives and creating a working environment where focus is on meeting the Group's targets, IC Companys has established bonus and share-based incentive programmes.

The incentive pay for the members of the Executive Board and other executives includes bonus and share-based incentive programmes. Pursuant to the IC Companys' Corporate Governance guidelines, members of the Board of Directors are not included in the incentive pay programmes.

The members of the Executive Board and a number of other executives are included in a bonus programme where payments are dependent on the financial results achieved within the employee's area of responsibility. The scope of the bonus is potentially between 20% to 50% of the annual salary. The bonus programme is dependent on the results achieved in the individual financial year and helps ensure that the Group's performance targets are met as the full bonus is only paid upon meeting these performance targets.

The Group has granted warrants and share options to a number of managers and key employees in earlier years, please find further details on these programmes under note 4 to the consolidated financial statements.

Incentive programmes

With effect from the financial year 2010/11 the Executive Board has been included in a warrant programme. The Board of Directors has resolved under the authorisation granted at the Annual General Meeting 2010 to grant the Executive Board warrants spanning over a three-year programme for 2010/11, 2011/12 and 2012/13. Each financial year the individual members of the Executive Board may be granted warrants at a value of up to 100% of their fixed salary.

The warrants granted represent the right, against payment in cash, to subscribe for a number of new shares equivalent to the warrants granted. The new shares may be acquired immediately after the Company's announcements of the annual reports after 3, 4 or 5 years, respectively. The warrants become void at the discontinuation of the employment if they are not exercisable at this point of time.

The warrants will be issued at an exercise price fixed according to the highest share price of either the closing price of the Company's share at NASDAQ OMX Copenhagen on the date of the announcement of the Annual Reports for 2010/11, 2011/12 and 2012/13, respectively, or the average closing price of the five previous trading days.

The programme will be fully performance dependant. The number of warrants granted each financial year is assessed by the use of the Black & Scholes model as follows:

- 0% to 50% is granted on a pro rata basis when achieving revenue growth of 5% to 15% compared to the previous financial year.
- 0% to 50% is granted on a pro rata basis when achieving an EBIT margin of 5% to 15%.

As the Group's revenue and earnings targets for the financial year under review were not achieved, no warrants will be granted to the Executive Board and other executives for the financial year 2011/12. Furthermore, the Executive Board will not be awarded any cash bonuses for the financial year 2011/12.

EFFICIENT *RISK MANAGEMENT* IN THE SPORTS AND FASHION INDUSTRIES

As a market player within the sports and fashion industries the Group is exposed to a number of risks. Through the development of an innovative knowledge centre and more than 30 years of experience, the Group has achieved a unique ability to control the various risks. To the extent that the efficiency, flexibility and service level in respect to brands are not compromised, the risks that fall without the scope of the Group's key disciplines are outsourced to external partners.

On account of the Group's activities, IC Companys is exposed to a number of risks. This entails a variety of risks inherent in the sports and fashion industries. The Management of IC Companys considers efficient risk management as an integrated part of all Group activities and all risks are therefore assessed thoroughly in order to minimise uncertainty and thus create stakeholder value. Reassessment of the risks will be conducted annually in order to determine whether the risks have changed or the risk control measures are adequate or relevant.

In general, IC Companys handles risk management strategically with risk reporting and risk management rooted in the Group's seven key business disciplines as described on page 7. Through its strong knowledge centre the Group holds special competences within risks relating to these disciplines. In addition to this, the Group is exposed to a number of other risks that fall outside the scope of these seven key business disciplines. Both types of risks are managed with the purpose of limiting the volatility of Group cash flows.

Key business disciplines

Any business operation involves a variety of risks and the success of the business is dependent on its ability to control these risks and thus optimise its profit. The Group creates stakeholder value by managing and minimising uncertainty within the seven key business disciplines in a structured manner. Frames, principles and tools ensure a uniform approach to management and administration of all Group brands. IC Companys considers fashion, supplier, inventory, debtor and brand value risks as such risks. The Management believes that these risks should be accepted as an integrated part of the Group's business. These risks are controlled efficiently based on the experiences and competences achieved over time in the sports and fashion industries by the Group and which are rooted in the seven key business disciplines.

IC Companys manages its risks efficiently through its knowledge centre and seven key business disciplines which form the basis for the Group's risk measurement and reporting.

Fashion risk

All Group brands are heavily influenced by fashion trends. As collections change at a minimum of four times a year and have a long lead time, there is a potential risk that the products when they reach the stores do not appeal to the customers.

Each separate brand develops their collections from a commercial and facts-based approach in order to minimise this risk. Furthermore, at Group level, there is an inherent high level of diversification as a result of the number of independent brands.

Supplier risk

The Group's products are solely produced by sub-suppliers which ensures a high level of flexibility. Sourcing for all brands is handled by own shared sourcing offices in China, (including Shanghai and Hong Kong) India and Romania and to a limited extent by the use of agents.

During 2011 the Group implemented a new sourcing strategy of which the objective is to capitalise on the relevant synergies arising between Group brands by systematising the co-operation between Group brands and selected sourcing partners. Consequently, this will also ensure that individual brands have their production located in the right countries and co-operate with the best suppliers.

The new sourcing strategy was implemented as a natural process following the Group's general organisational changes carried out in 2010 (please see Company Announcement no. 21/2010) where all Group brands were empowered with the full responsibility of their own value chain.

As a consequence of the new strategy, the compliance control of the Group's business and ethical standards are being enhanced through a systematic scoring of all suppliers. Furthermore, the Group is working on increasing the trade with each individual supplier as well as improving the co-operation with its best suppliers. Consequently, this will lead to a reduction in the number of suppliers and thereby a less complex sourcing structure and the possibility of improved sourcing prices.

Furthermore, the new sourcing structure makes it possible for all brands to handle geographic sourcing alternatives safely and quickly and thereby move production to wherever the combination of price, quality and supply stability is best. This allows IC Companys to harness new sourcing opportunities more efficiently as well as reduce the operational risk.

In 2011/12 China accounted for 67% of the production whereas rest of Asia accounted for 16%, Europe for 16% and Africa for 1%. The Group has a total of 349 suppliers of which the largest 10 suppliers account for 29% of the total production value. The largest single supplier accounts for 5% of the total production value and the Group is thus not substantially dependent on one single supplier.

Supplier risk management is based on the Group's international sourcing experience gained over more than 40 years.

Inventory risk

Sale through own stores and the need to carry inventories and supplementary products for retailers result in a risk that products, which during the year have been allocated for sale, remain unsold at the end of the season just as the Group is often liable for sourcing materials until the products reach the stores which is typically 9 months.

By focussing on collection development and the purpose of each individual style in the brand's distribution, a significant part of the inventory risk may be diminished. A substantial amount of the total purchase has been pre-ordered by the Group's retailers which contributes to a reduction of the inventory risk.

The Group has also a network of outlets to where surplus products are channelled and are sold at all times during the year. Capacity in this network is increased or reduced as required. Any products that cannot be sold through own outlets are sold to brokers for resale outside the Group's established markets.

Debtor risk (third party retailer)

The Group brand products are sold at more than 10,000 selling points. A considerable number of third party retailers are customers of more than one brand which results in a lower actual number of customers. No customer accounts for more than 2% of the Group's wholesale revenue.

Prior to entering into business relations with new third party retailers, the Group always assesses the retailer pursuant to the Group's Debtor Policy and based on their distribution. These assessments are subsequently performed on a regular basis. By ensuring a healthy base of third party retailers, the debtor risk is reduced, however, unanticipated losses may still occur.

Credit insurance is typically only taken out in those countries where the credit risk exposure is estimated to be high and where this is feasible. This primarily applies to distant markets in which IC Companys is not represented through an independent sales set-up.

Credit terms vary in line with individual market practise. In the past years the Group has recognised loss on trade receivables amounting to less than 1% of the wholesale revenue. The Group has thus recognised loss on trade receivables of 0.6% of the wholesale revenue for the financial year under review.

Brand value risk

The Group operates 11 strong brands which all hold significant intangible values accumulated over a number of years. Continuous development of the collections results in an all-existing risk of fault which may damage the value of the individual brand.

However, a strong control of the fashion risk influencing the Group brands and a selective distribution help reducing this risk. Furthermore, the Group brands work continuously on brand building and marketing in order to retain and build up intangible values.

Bad publicity in the national and international media or with the brand's core customers may lead to considerable loss of brand value. The Group leads an active policy of corporate responsibility which requires the Group brands to comply with a number of guidelines. Furthermore, the individual brands have their own focus areas within corporate responsibility. The risk of Group brands being involved in questionable issues, which may lead to loss of brand value, is thus limited.

Other risks

The Group is exposed to a number of other risks not relating to the Group's seven key business disciplines. These risks relate to activities in which the Group does not hold special competences in efficient risk management. To the extent that the efficiency, flexibility and service level in respect to brands are not compromised, these risks are outsourced. Such strategic decisions are made at management level.

Political risk

A substantial part of the Group's sourcing takes place in markets which from time to time experience political turmoil. The Group's single largest political risk factor concerns reliable supplies from China which accounts for 67% of the Group's sourcing.

Financial risks

The Group monitors and controls all its financial risks through the Parent Company's Treasury Department. The Group's financial risks may be categorised as follows; foreign currency exposure risk, interest rate risk and liquidity risk, including counter-party risk. The use of financial instruments and the related risk management are controlled and set by the Group's Treasury Policy approved by the Board of Directors.

Financial instruments are solely used by the Group to hedge financial risks. All financial instruments are entered into as a means of hedging the underlying commercial activity and thus no speculative contracts are made.

Foreign currency exposure risk

The Group is exposed to significant foreign currency exposure risks which arise through purchase of supplies and sale of products in foreign currencies. The main part of the Group's purchase of supplies is made in the Far East and denominated in USD and USD-related currencies while the main part of the revenues and capacity costs are denominated in DKK, SEK, EUR and other European currencies. The natural currency hedge in the Group's transactions is thus limited.

During global financial crises the Group will be affected severely, since the USD often appreciates at the same time the Group's primary sales currencies (SEK, NOK and PLN) depreciate.

In general, the Group hedges all material transaction risks on a trailing 15 months basis. The Group primarily uses foreign exchange contracts to hedge the Group's foreign currency exposure risks.

Interest rate risk

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

The Group's interest rate risk is controlled by obtaining loans with a floating or fixed rate and/or financial instruments hedging against the interest rate risk on the underlying investment.

Liquidity risk

The Group's cash resources and capital structure are allocated and planned in such manner as to always ensure and support the Group's ongoing operations as well as planned investment projects. Measures taken to minimise liquidity risks are described further under the section Capital structure and dividend policy.

Please see note 28 to the consolidated financial statement for further information on the Group's financial risks at 30 June 2012.

IT risk

The Group is dependent on reliable IT systems for the day-to-day business operations as well as to ensure control of product sourcing and to enhance efficiency throughout the Group's supply chain. Risk control measures such as firewalls, access control, contingency plans, etc., are assessed on a regular basis in order to identify and minimise these risks.

Solid IT support in all aspects of sourcing, distribution, logistics, administration and sales renders it possible for the individual brands to focus on the creative and commercial development aspects. Furthermore, the implementation of a new Point of Sale IT System leads to significant improvements of the Group's retail data which permits a more efficient utilisation of the sales area. Shared operation of the IT platform ensures a significant risk reduction for the individual brands.

Logistics risk

Collections are products with a limited life-span. If the right products are not available in the stores at the right time, the amount of returned and surplus products increases which results in write-downs. Late delivery or non-delivery thus poses a risk.

In general the Group's products are handled in two ways; the products are either distributed in flat packages or hanging. The majority, approx. 90%, of the Group's products sourced in Asia is transported on container liners to Europe while the remaining, approx. 10%, is sent by air freight. All the Group's products sourced in Europe are transported by truckage. Flexible geographical sourcing and the possibility of moving freight from container liners to air planes help reducing the logistics risk.

The core of the Group's logistics structure consists of three large warehouses; a modern warehouse in Brøndby, Denmark, which handles the flat packages for a majority of the Group brands, a warehouse at Raffinaderivej, Copenhagen, Denmark, which handles the Group's products hanging for a majority of the Group brands and a warehouse in Strykow, Poland, which handles the flat packages for the Group brands Jackpot and Cottonfield. The latter being attributable to the geographical centre point of Jackpot and Cottonfield which differentiates as compared to the remaining Group brands.

Efficient planning systems and many years of logistics and distribution experience within the sports and fashion industries have reduced the logistics risk significantly. Supply stability to our own and our customers' stores is a central part of the Group's shared service functions.

Employee risk

In order to succeed with the new Group structure, IC Companys strives at creating a high-performance culture, where passionate committed employees may provide the all-important competitive edge. To attract, develop and retain high-performance employees thus poses a risk to the Group.

IC Companys strives at being an attractive employer offering unique career opportunities, talent development and the opportunity to move between the different Group functions and brands.

The Group has a professional and experienced HR department which supports the development of IC Companys as a knowledge centre. Furthermore, the HR department is responsible for the development and updating of guidelines, tools, processes and training, and conducts ongoing employee surveys to ensure that the Group is well on its way to becoming a world class employer. This helps support the development of the Group's performance culture and ensures that all employees have clear goals and can act as accountable, trustworthy ambassadors for our brands and Group.

The Executive Board

Niels Mikkelsen

Chief Executive Officer (2008). Born 1964.

Member of the Board of Directors of Designers Remix A/S
Member of the Board of Directors of KidsAid Fonden

Niels Mikkelsen has previously held a position as Nordic Country Manager with Esprit de Corp. Further, he has worked for the InWear Group A/S as sales manager for Part Two and subsequently as country manager for Denmark. He started his career within sports wear and equipment and, among others, he worked with Yonex, Nike and Tretorn.

Member of the Executive Board since 2008

Share holdings: 3,850
Share options: 160,000

Chris Bigler

Chief Financial Officer (2004). Born 1970.

Member of the Board of Directors of BLS Invest

Chris Bigler holds a Bachelor in Business Administration and Commercial Law from Aalborg University, a Master in Business Administration and Auditing from Aarhus School of Business and was certified as Chartered Accountant in 2000. Previously, Chris Bigler held a position as Group Finance Manager of IC Companys A/S. Prior to this, he worked as a chartered accountant with Arthur Andersen and Deloitte.

Member of the Executive Board since 2008

Share holdings: 4,339
Share options: 52,302

The Executive Board

Peter Fabrin

Executive Vice President (2009). Born 1966.

Chairman of the Board of Directors of Designers Remix A/S
Member of the Board of Directors of Ball Group A/S
Member of the Board of Directors of HW Excellence

Peter Fabrin holds a business diploma and has further training from, among others, IMD, Lausanne and has been Chief Executive Officer of Diesel Nordic. Furthermore, he has been Executive Sales Officer and before that Retail Manager for InWear Group A/S, director with Kilroy Travels Denmark and Country Manager for Norway for Carli Gry International A/S.

Member of the Executive Board since 2009

Share holdings: non
Share options: 40,000

Anders Cleemann

Executive Vice President (2008). Born 1967.

Member of the Board of Directors of Muuto A/S
Member of the Board of Directors of Danish Fashion Institute (DAFI)

Anders Cleemann holds a MSc in Economics and Business Administration from Copenhagen Business School and has previously worked as Brand Director for Part Two in IC Companys A/S and international Marketing Director in InWear Group A/S. Further, he has worked in sales and marketing with Reebok A/S and Carlsberg A/S and has been CEO of Valtech A/S.

Member of the Executive Board since 2008

Share holdings: 1,850
Share options: 49,051

The Board of Directors

Niels Martinsen

Chairman. Born 1948.
Director of Friheden Invest A/S

Chairman of the Board of Directors of A/S Sadolin Parken and A/S Rådhusparken

Member of the Board of Directors of Friheden Invest A/S

As founder of InWear A/S and long-standing CEO of InWear Group A/S and subsequently IC Companys A/S, Niels Martinsen has extensive national as well as international management experience. With this background, Niels Martinsen has obtained a solid experience with the international fashion industry. Further, Niels Martinsen has experience from board committees of other companies.

Member of the Board of Directors since 2001
Member of the Audit Committee
Member of the Remuneration Committee

Considered to be a dependent Board member

Share holdings: 7,191,128 shares held through Friheden Invest A/S which is controlled by Niels Martinsen

Henrik Heideby

Deputy Chairman. Born 1949.
Group Chief Executive Officer of PFA Holding and PFA Pension

Chairman of the Board of Directors of FIH Holding A/S, PFA Ejendomme A/S, PFA Professional Forening and PFA Invest International A/S and associated businesses

Deputy Chairman of the Board of Directors of FIH Erhvervsbank A/S and Forsikring & Pension.

Member of the Board of Directors of C.P. Dyvig & Co. A/S, PFA Kapitalforvaltning, fondsmæglerselskab A/S, PFA Brug Livet Fonden and Wesmanns Skandinaviske Forsikringsfond.

Henrik Heideby has extensive national and international management experience as Chief Executive Officer of PFA Pension and previously in Alfred Berg Bank and FIH. With this background, Henrik Heideby also has experience with financing and risk management. Further, Henrik Heideby also has experience from board committees of other companies.

Member of the Board of Directors since 2005
Chairman of the Audit Committee

Considered to be an independent Board member

Share holdings: 12,500

The Board of Directors

Ole Wengel

Deputy Chairman. Born 1949.
As former Director of Corporate Affairs of InWear Group A/S, Ole Wengel has experience in the management of a major fashion company and the international fashion industry. Through his many years in the Group, he further has an extensive insight into and knowledge of the Company.

Member of the Board of Directors since 2003
Chairman of the Remuneration Committee
Member of the Audit Committee

Considered to be an independent Board member

Share holdings: 43,333

Anders Colding Friis

Board Member. Born 1963.
Chief Executive Officer of Scandinavian Tobacco Group A/S

Chairman of the Board of Directors of Dagrofa A/S and Monberg & Thorsen A/S

Member of the Board of Directors of Topdanmark A/S

Anders Colding Friis has an extensive national and international management experience as Chief Executive Officer of Scandinavian Tobacco Group. Further, Anders Colding Friis also has experience from board committees of other companies.

Member of the Board of Directors since 2005
Member of the Remuneration Committee

Considered to be an independent Board member

Share holdings: 6,925

Per Bank

Board Member. Born 1967.
CEO of Dansk Supermarked A/S

Per Bank has an extensive national and international management experience through, among others, his current position as CEO of Dansk Supermarked A/S and previously as Commercial Director of Clothing, General Merchandising and Electrical and member of the board of directors of Tesco UK, CEO of Tesco Stores Ltd. Hungary, and as Group CEO of Coop Denmark and Coop Norden A/S. With this background, Per Bank has an extensive knowledge of and experience within European retail. Further, Per Bank also has experience from board committees of other companies.

Member of the Board of Directors since 2008

Considered to be an independent Board member

Share holdings: non

Annette Brøndholt Sørensen

Board Member. Born 1963.
Management Consultant of VS Consulting

As former Business & Finance Director and board member of By Malene Birger A/S, Annette Brøndholt Sørensen has experience of the international fashion industry as well as board work. Through several executive positions within the SAS Group Annette Brøndholt Sørensen has furthermore gained extensive experience within management, strategy, management accounting and process optimisation.

Member of the Board of Directors since 2010

Considered to be a dependent Board member

Share holdings: 253

SHAREHOLDER *INFORMATION* AND SHARE *PERFORMANCE*

The volatile market conditions and the dissatisfactory earnings development for the Group are reflected in IC Companys' share performance. However, a strong free cash flow development and the reduction of the Group's net interest-bearing debt during the financial year under review ensure a continued sound financial position. Pursuant to the Group's dividend policy, the Management recommends distribution of an ordinary dividend to shareholders of DKK 25 million.

The financial year 2011/12 has been marked by volatile market conditions and a substantial pressure on the Group's gross margin leading to a dissatisfactory earnings development as well as an unfavourable share performance. However, the Group has retained a strong development of its free cash flow and has consequently reduced its net interest-bearing debt to DKK 248 million. The Group's financial position thus remains sound.

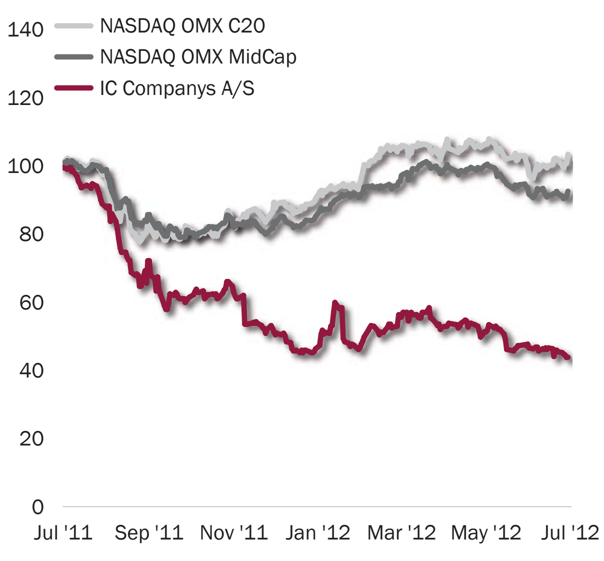
IC Companys financial objective remains to ensure a long-term competitive return on investment to the shareholders of the Company.

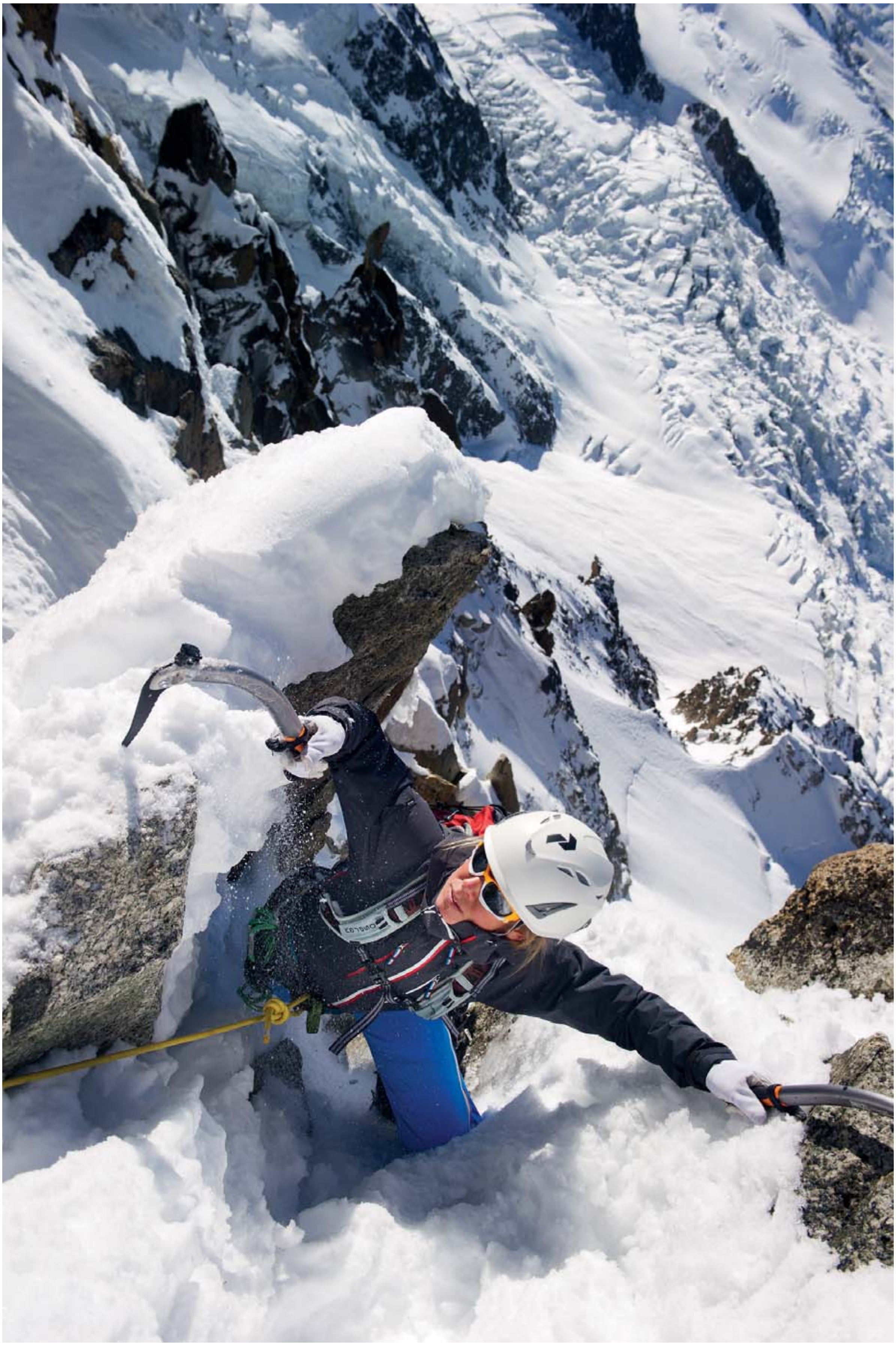
Share performance 2011/12

The IC Companys share is listed on the NASDAQ OMX Copenhagen. Measured on the daily average price, the share decreased by 56% from DKK 219.7 per share as at 1 July 2011 to DKK 97.5 per share as at 30 June 2012. At the end of the financial year the market capitalisation of IC Companys amounted to DKK 1.6 billion. The highest closing price of the IC Companys share was registered on 1 July and 6 July 2011 at DKK 220.0 per share.

The total trading volume of IC Companys' shares for the financial year 2011/12 amounted to DKK 369 million (DKK 461 million) and the transaction volume totalled 2.9 million (2.0 million).

Share price movement (30 June 2011 = index 100)





Capital structure and dividend policy

As previous described, the Group expects to generate a high level of distributable cash. The Group's total cash flow development is therefore also expected to be positive in coming years leading to the Group being able to start accumulating surplus cash during 2012/13.

Pursuant to the Group's dividend policy, the Management will recommend at the Annual General Meeting 2012 that an ordinary dividend of DKK 25 million in respect of the financial year 2011/12 is distributed to the shareholders.

Future revenue development is based on investment activities within the growth and internationalisation strategy entailed by the Group brands in the Premium segment. Investments in the Group brands in the Mid Market and Fast Fashion segments will primarily be limited to retaining the activities in the core markets. In total, growth in own retail as well as wholesale is expected. In the long term the working capital is thus expected to increase concurrently with the development of activities.

To maintain the highest possible flexibility in the future and thereby support the Group brands in the Premium segment in the best possible way, the Group has decided to retain its target of reducing its net bank debt to zero. The Group's credit facilities will then only be employed to cover for seasonal fluctuations of the cash outflows. As at 30 June 2012 net bank debt amounted to DKK 248 million. The Group has furthermore decided that in the future the net interest-bearing debt, including its lease commitments, may only as a maximum be increased to a level three times higher than EBITDA should such measures be necessary. At present the Group has no plans of this.

Insofar as possible with the Group's capital requirements and cash development, repayment to the shareholders, besides distribution of ordinary dividends, will be recommended to be distributed through extraordinary dividends.

Share capital

As at 30 June 2012 the share capital amounted to DKK 169,428,070 (DKK 169,428,070) and remained thus unchanged during the financial year under review. The share capital comprises one share class and consists of 16,942,807 shares at a nominal value of DKK 10 per share. Each share holds one vote which may be exercised at the Group's general meetings. Management considers the existing share structure to be in the best interest of the Group.

Treasury shares

At present IC Companys owns 540,672 shares to be used for outstanding share options. This number of shares corresponds to 3.2% of the total number of issued shares.

Treasury shares	Number
Treasury shares at 30 June 2011	540,672
Treasury shares at 30 June 2012	**540,672**

Ownership structure

As at 30 June 2012 IC Companys had 7,904 registered shareholders who aggregated held 97.7% of the total share capital. The share of votes is equivalent to the share capital for the Group's shareholders. A breakdown of the shareholders is as follows:

Shareholders as at 30 June 2012	Number	Capital share
Friheden Invest A/S* (DK)	7,191,128	42.4%
Arbejdsmarkedets Tillægspension, ATP (DK)	1,695,843	10.0%
Hs 2.G. Aps (DK)	1,793,730	10.6%
Other Danish institutional investors	2,598,681	15.3%
Danish private investors	1,287,389	7.6%
Foreign institutional investors	1,010,784	6.0%
Foreign private investors	79,231	0.5%
Treasury shares	540,672	3.2%
Non-grouped	745,349	4.3%
Total	**16,942,807**	**100.0%**

*Friheden Invest A/S is controlled by the Group's Chairman of the Board of Directors.

Investor relations

The Group has set out the objective to maintain a high and uniform information level as well as engaging in an open and active dialogue with investors, analysts and other stakeholders. Our Investor Relations Policy, financial statements, presentations, company announcements and other relevant investor information are available at the corporate website www.iccompanys.com.

During the financial year the Group hosted four webcasts in connection with the announcements of the interim reports and the annual report. Furthermore, the Company participates regularly in road shows, investor seminars and sets up meetings with individual investors and financial analysts. The four week period leading up to the announcement of financial reports or other significant information is deemed to be a quiet period which means that IC Companys does not hold investor meetings.


14
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15

Financial calendar 2012/13

Date	Event
24 September 2012	2012 Annual General Meeting expected to be held
28 September 2012	Expected dividend payment in respect of the financial year 2011/12
7 November 2012	Expected announcement of interim report for Q1 2012/13
5 February 2013	Expected announcement of interim report for H1 2012/13
15 May 2013	Expected announcement of interim report for Q3 2012/13
7 August 2013	Expected announcement of Annual Report 2012/13
13 August 2013	Expected deadline for proposed resolutions to be considered at the 2013 Annual General Meeting
25 September 2013	2013 Annual General Meeting expected to be held
1 October 2013	Expected dividend payment in respect of the financial year 2012/13

Company announcements 2011/12

Date	Number	Subject
10 August 2011	8 (2011)	Information meeting
17 August 2011	9 (2011)	Annual Report for 2010/11
18 August 2011	10 (2011)	IC Companys enhances the Group's sourcing
23 August 2011	11 (2011)	Articles of Association
2 September 2011	12 (2011)	Notice of Annual General Meeting 2011
26 September 2011	13 (2011)	Minutes of Annual General Meeting 2011
30 September 2011	14 (2011)	Amended financial calendar for 2011/12
2 November 2011	15 (2011)	Information meeting
9 November 2011	16 (2011)	Interim report for Q1 2011/12
10 November 2011	17 (2011)	Articles of Association
14 November 2011	18 (2011)	Announcement regarding insider transactions
18 January 2012	1 (2012)	Profit warning
20 January 2012	2 (2012)	Announcement re. major shareholder
31 January 2012	3 (2012)	Information meeting
7 February 2012	4 (2012)	Interim report for H1 2011/12
10 February 2012	5 (2012)	Amended financial calendar for 2011/12
2 May 2012	6 (2012)	Information meeting
16 May 2012	7 (2012)	Interim report for Q3 2011/12
28 June 2012	8 (2012)	Financial calendar for 2012/13

Analysts

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Annual General Meeting 2012

The Annual General Meeting 2012 is scheduled to be held on Monday 24 September 2012 at 3 p.m. at the Company's headquarters located at 10 Raffinaderivej, 2300 Copenhagen S, Denmark.

The agenda is as follows:

1. Report of the Board of Directors on the Company's activities during the year under review.

2. Presentation of the Annual Report for the period 1 July 2011 - 30 June 2012 endorsed by the auditors and adoption of the audited Annual Report.

3. Appropriation of the profits, including the declaration of dividends, or provision for losses as recorded in the adopted Annual Report. The Board of Directors recommends that a dividend of DKK 24.6 million corresponding to DKK 1.50 per ordinary share eligible for dividend is distributed.

4. Election of members of the Board of Directors. The Board of Directors proposes re-election of the remaining Board.

5. Approval of remuneration of the Board of Directors for the financial year 2012/13.

6. Appointment of auditors.

7. The Board of Directors has proposed the following resolutions;

   7.1 Authorisation of the Board of Directors for the period until the next annual general meeting to allow the Company to acquire own shares representing 10% of the share capital and at a price deviating by no more than 10% from the listed price at the time of the acquisition.

   7.2 Amendment of the Companys' Articles of Association as a consequence of the Danish Business Authority changing name.

8. Any other business.

Financial statements *Group*

Consolidated financial statements

Consolidated income statement

Note	DKK million	2011/12	2010/11
3	**Revenue**	**3,819.1**	**3,925.4**
	Cost of sales	(1,664.8)	(1,603.8)
	Gross profit	**2,154.3**	**2,321.6**
5	Other external costs	(906.3)	(867.4)
4	Staff costs	(999.7)	(1,016.4)
6	Other operating income and costs	10.8	8.5
11	Depreciation, amortisation and impairment losses	(128.7)	(125.0)
	Operating profit	**130.4**	**321.3**
7	Financial income	35.7	7.4
7	Financial costs	(36.4)	(20.8)
	Profit before tax	**129.7**	**307.9**
8	Tax on profit for the year	(40.3)	(61.6)
	Profit for the year	**89.4**	**246.3**
	Profit allocation:		
	Shareholders of IC Companys A/S	88.1	242.6
	Non-controlling interests	1.3	3.7
	Profit for the year	**89.4**	**246.3**
	Earnings per share		
9	Earnings per share, DKK	5.4	14.8
9	Diluted earnings per share, DKK	5.4	14.7

Consolidated statement of comprehensive income

Note	DKK million	2011/12	2010/11
	Profit for the year	**89.4**	**246.3**
	OTHER COMPREHENSIVE INCOME		
	Foreign currency translation adjustments arising in connection with foreign subsidiaries	(14.7)	(30.5)
	Foreign currency translation adjustment on intercompany loans	25.5	27.0
28	Fair value adjustments, gains on derivatives held as cash flow hedges	56.4	2.0
28	Fair value adjustments, loss on derivatives held as cash flow hedges	(37.9)	(68.2)
28	Transfer to income statement of gains on realised cash flow hedges	(2.0)	(57.7)
28	Transfer to income statement of loss on realised cash flow hedges	68.2	57.3
8	Tax on other comprehensive income	(27.5)	9.8
	Total other comprehensive income	**68.0**	**(60.3)**
	Total comprehensive income	**157.4**	**186.0**
	Comprehensive income allocation:		
	Shareholders of IC Companys A/S	156.1	182.3
	Non-controlling interests	1.3	3.7
	Total	**157.4**	**186.0**

Consolidated statement of financial position

ASSETS

Note	DKK million	30 June 2012	30 June 2011
	NON-CURRENT ASSETS		
	Goodwill	205.1	199.4
	Software and IT systems	48.5	28.6
	Trademark rights	-	0.1
	Leasehold rights	17.5	20.5
	IT systems under development	9.5	13.8
11	**Total intangible assets**	**280.6**	**262.4**
	Land and buildings	151.7	155.0
	Leasehold improvements	97.7	118.0
	Equipment and furniture	86.0	96.6
	Property, plant and equipment under construction	2.5	5.9
11	**Total property, plant and equipment**	**337.9**	**375.5**
12	Financial assets	40.3	33.8
13	Deferred tax	64.1	99.0
	Total other non-current assets	**104.4**	**132.8**
	Total non-current assets	**722.9**	**770.7**
	CURRENT ASSETS		
14	Inventories	528.5	556.5
15	Trade receivables	391.9	358.0
8	Tax receivable	34.8	35.2
16	Other receivables	137.4	45.4
17	Prepayments	109.4	106.8
27	Cash	82.6	53.8
	Total current assets	**1,284.6**	**1,155.7**
	TOTAL ASSETS	**2,007.5**	**1,926.4**

EQUITY AND LIABILITIES

Note	DKK million	30 June 2012	30 June 2011
	EQUITY		
18	Share capital	169.4	169.4
	Reserve for hedging transactions	15.9	(47.7)
	Translation reserve	(36.1)	(40.6)
	Retained earnings	679.5	657.5
	Equity attributable to shareholders of the Parent Company	**828.7**	**738.6**
	Equity attributable to non-controlling interests	**1.9**	**4.1**
	Total equity	**830.6**	**742.7**
	LIABILITIES		
19	Retirement benefit obligations	12.9	5.8
13	Deferred tax	52.2	56.3
20	Provisions	7.1	-
23	Other liabilities	34.6	44.0
21	Non-current liabilities to credit institutions	140.0	140.0
	Total non-current liabilities	**246.8**	**246.1**
22,27	Current liabilities to credit institutions	190.7	224.7
	Trade payables	396.5	348.9
8	Tax payable	19.0	10.2
23	Other liabilities	323.9	353.8
	Total current liabilities	**930.1**	**937.6**
	Total liabilities	**1,176.9**	**1,183.7**
	TOTAL EQUITY AND LIABILITIES	**2,007.5**	**1,926.4**

Consolidated statement of changes in equity

DKK million	Share capital	Reserve for hedging transactions	Translation reserve	Retained earnings	Total equity owned by Parent Company shareholders	Total equity owned by non-contr. interests	Total equity
Equity at 1 July 2010	**169.4**	**2.4**	**(30.4)**	**591.9**	**733.3**	**13.9**	**747.2**
Comprehensive income 2010/11							
Profit for the year	-	-	-	242.6	242.6	3.7	246.3
Other comprehensive income							
Foreign currency translation adjustments arising in connection with foreign subsidiaries	-	-	(30.5)	-	(30.5)	-	(30.5)
Foreign currency translation adjustment on intercompany loans	-	-	27.0	-	27.0	-	27.0
Fair value adjustments, gains on derivatives held as cash flow hedges	-	2.0	-	-	2.0	-	2.0
Fair value adjustments, loss on derivatives held as cash flow hedges	-	(68.2)	-	-	(68.2)	-	(68.2)
Transfer to income statement of gains on realised cash flow hedges	-	(57.7)	-	-	(57.7)	-	(57.7)
Transfer to income statement of loss on realised cash flow hedges	-	57.3	-	-	57.3	-	57.3
Tax on other comprehensive income	-	16.5	(6.7)	-	9.8	-	9.8
Total other comprehensive income	**-**	**(50.1)**	**(10.2)**	**-**	**(60.3)**	**-**	**(60.3)**
Share buy-back programmes	-	-	-	(13.0)	(13.0)	-	(13.0)
Dividends paid	-	-	-	(69.7)	(69.7)	(3.3)	(73.0)
Share-based payments	-	-	-	7.7	7.7	-	7.7
Share options exercised	-	-	-	3.0	3.0	-	3.0
Other transactions with shareholders	-	-	-	(105.0)	(105.0)	(10.2)	(115.2)
Equity at 30 June 2011	**169.4**	**(47.7)**	**(40.6)**	**657.5**	**738.6**	**4.1**	**742.7**
Comprehensive income 2011/12							
Profit for the year	-	-	-	88.1	88.1	1.3	89.4
Other comprehensive income							
Foreign currency translation adjustments arising in connection with foreign subsidiaries	-	-	(14.7)	-	(14.7)	-	(14.7)
Foreign currency translation adjustment on intercompany loans	-	-	25.5	-	25.5	-	25.5
Fair value adjustments, gains on derivatives held as cash flow hedges	-	56.4	-	-	56.4	-	56.4
Fair value adjustments, loss on derivatives held as cash flow hedges	-	(37.9)	-	-	(37.9)	-	(37.9)
Transfer to income statement of gains on realised cash flow hedges	-	(2.0)	-	-	(2.0)	-	(2.0)
Transfer to income statement of loss on realised cash flow hedges	-	68.2	-	-	68.2	-	68.2
Tax on other comprehensive income	-	(21.1)	(6.4)	-	(27.5)	-	(27.5)
Total other comprehensive income	**-**	**63.6**	**4.5**	**-**	**68.0**	**-**	**68.0**
Dividends paid	-	-	-	(73.8)	(73.8)	(3.5)	(77.3)
Share-based payments	-	-	-	7.7	7.7	-	7.7
Equity at 30 June 2012	**169.4**	**15.9**	**(36.1)**	**679.5**	**828.7**	**1.9**	**830.6**

Consolidated statement of cash flows

Note	DKK million	2011/12	2010/11
	CASH FLOW FROM OPERATING ACTIVITIES		
	Operating profit	130.4	321.3
	Reversed depreciation and impairment losses and gain/loss on sale of non-current assets	128.7	130.2
	Share-based payments recognised in income statement	(7.7)	7.7
	Other adjustments	13.2	11.5
26	Change in working capital	31.2	(235.5)
	Cash flow from ordinary operating activities	**295.8**	**235.2**
	Financial income received	11.6	23.0
	Financial costs paid	(19.5)	(29.5)
	Cash flow from operating activities	**287.9**	**228.7**
8	Tax paid	(29.5)	(49.0)
	Total cash flow from operating activities	**258.4**	**179.7**
	CASH FLOW FROM INVESTING ACTIVITIES		
11	Investments in intangible assets	(34.3)	(23.0)
11	Investments in property, plant and equipment	(71.5)	(79.3)
	Change in deposits and other financial assets	(4.9)	(3.5)
	Purchase and sale of other non-current assets	2.5	2.6
	Total cash flow from investing activities	**(108.2)**	**(103.2)**
	Total cash flow from operating and investing activities	**150.2**	**76.5**
	CASH FLOW FROM FINANCING ACTIVITIES		
	Other transactions with shareholders	(9.4)	(56.8)
	Share buy-back programmes	-	(13.0)
10	Dividends paid	(77.3)	(73.0)
	Total cash flow from financing activities	**(86.7)**	**(142.8)**
	NET CASH FLOW FOR THE YEAR	**63.5**	**(66.3)**
	CASH AND CASH EQUIVALENTS		
	Cash and cash equivalents at 1 July	(170.9)	(103.4)
	Foreign currency translation adjustment of cash and cash equivalents at 1 July	(0.7)	(1.2)
	Net cash flow for the year	63.5	(66.3)
27	**Cash and cash equivalents at 30 June**	**(108.1)**	**(170.9)**

The consolidated statement of cash flows may not be concluded based solely on the announced financial statements.

Notes to financial statements
Group

Notes to the consolidated financial statements

1. Basis for preparation of consolidated financial statements

The consolidated financial statements and the financial statements of the Parent Company, IC Companys A/S, for the financial year 2011/12 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for the annual reports of listed companies (accounting class D), cf. the Statutory Order on the adoption of IFRS under the Danish Financial Statements Act.

The consolidated financial statements and the financial statements of the Parent Company are also prepared in accordance with the IFRS standards as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements and the financial statements of the Parent Company are expressed in Danish Kroner (DKK), which is considered the primary currency of the Group's activities and the functional currency of the Parent Company.

The accounting policies are applied consistently throughout the financial year and for the comparative figures. Few adjustments of the comparative figures have been made which have had no effect on EBIT, profit for the year, other comprehensive income, the financial position and the equity in the comparative year.

New standards in 2011/12
Implementation of new standards and interpretations
IC Companys has adopted all new and amended standards and interpretations (IFRIC) as endorsed by the EU and which are effective for the financial year 1 July 2011 - 30 June 2012. Based on thorough analysis, IC Companys has concluded that the standards which are effective for financial years beginning on or after 1 July 2011 are either of no relevance to the Group or exert no material impact on the financial statements.

New and amended standards and interpretations not yet effective
IASB has issued a number of IFRS standards, amended standards and IFRIC interpretations which are effective for financial years beginning on or after 1 July 2012. IC Companys has thoroughly considered the impact of the IFRS standards, amended standards and IFRIC interpretations not yet effective, and it is estimated that these standards and interpretations are deemed to exert no material impact on the consolidated financial statements or the financial statements of the Parent Company in the coming years.

Please see note 32 for further information on significant accounting policies.

2. Accounting estimates and assumptions

The calculation of the carrying amount of certain assets and liabilities requires an estimate of how future events will affect the value of such assets and liabilities at the end of the reporting period. Estimates material to the financial reporting are made in connection with, e.g., the calculation of depreciation, amortisation and impairment losses, the valuation of inventories and receivables, tax assets, goodwill and provisions.

The estimates applied are based on assumptions which Management believes to be reasonable, but which are inherently uncertain and unpredictable. In the consolidated financial statements, the measurement of inventories and receivables could be materially affected by significant changes in estimates and assumptions underlying the calculation of inventory and receivables write-downs. Similarly, the measurement of goodwill could be affected by significant changes in estimates and assumptions underlying the calculation of values. Please see note 11 to the consolidated financial statements for a more detailed description of impairment tests for intangible assets.

The measurement of inventories is based on an individual assessment of season and age and on the realisation risk assessed to exist for individual items.

Tax assets are written down if 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 3-5 years), the expected taxable income is insufficient for the tax assets to be exploited in full or there is uncertainty with respect to the value of the tax asset at the end of the reporting period, e.g., as a result of an on-going tax audit or pending tax litigation.

3. Segment information

Business segments
Reporting to the Group's Management is based on the Group's two distribution channels; wholesale and retail.

Wholesale
The business segment consists of wholesale to store owners. The segment consists of sales to wholesale customers and franchise partners and to a limited extent sourcing performed on behalf of external customers.

Retail
The business segment consists of sales to consumers. The segment consists of sales through own retail stores, concessions, outlet stores and e-commerce.

Management estimates operation profits of business segments separately in order to make decisions in relation to resource allocation and performance measurement. The segment results are evaluated on the basis of operating results, which are calculated by the same methods as in the consolidated financial statements. Financial income, financial costs and corporate taxes are calculated at Group level and are not allocated to operating segments.

No material trade or other transactions take place between the business segments. Revenue from external customers, which is reported to Management, is measured by the same methods as in the income statement. Cost allocation between business segments is made on an individual basis with the addition of some, systematically allocated indirect costs to show the profitability of the business segments. Assets and liabilities are not included in the regular segment reporting to the Management.

No individual customer accounts for more than 10% of revenue.

	Compulsory reporting of segments									
	Wholesale		Retail		Total		Non-allocated items		Group total	
DKK million	**2011/12**	**2010/11**	**2011/12**	**2010/11**	**2011/12**	**2010/11**	**2011/12**	**2010/11**	**2011/12**	**2010/11**
Revenue	**2,355.5**	**2,394.8**	**1,463.6**	**1,530.6**	**3,819.1**	**3,925.4**	**-**	**-**	**3,819.1**	**3,925.4**
Group brands	2,340.5	2,377.7	1,445.7	1,506.7	3,786.2	3,884.4	-	-	3,786.2	3,884.4
Other brands	15.0	17.1	17.9	23.9	32.9	41.0	-	-	32.9	41.0
Gross profit*	**1,213.5**	**1,282.8**	**940.9**	**1,038.8**	**2,154.3**	**2,321.6**	**-**	**-**	**2,154.3**	**2,321.6**
Gross margin (%)	*51.5*	*53.6*	*64.3*	*67.9*	*56.4*	*59.1*	*-*	*-*	*56.4*	*59.1*
Operating profit	**316.9**	**404.3**	**(39.5)**	**77.0**	**277.4**	**481.3**	**(147.0)**	**(160.0)**	**130.4**	**321.3**
EBIT margin (%)	*13.5*	*16.9*	*(2.7)*	*5.0*	*7.3*	*12.3*	*-*	*-*	*3.4*	*8.2*
Net financials	-	-	-	-	-	-	(0.7)	(13.4)	(0.7)	(13.4)
Profit before tax	**316.9**	**404.3**	**(39.5)**	**77.0**	**277.4**	**481.3**	**(147.7)**	**(173.4)**	**129.7**	**307.9**
Tax on profit for the year	-	-	-	-	-	-	(40.3)	(61.6)	(40.3)	(61.6)
Profit for the year	**316.9**	**404.3**	**(39.5)**	**77.0**	**277.4**	**481.3**	**(188.1)**	**(235.0)**	**89.4**	**246.3**

* Depreciation and amortisation have been included in wholesale with an amount of DKK 42.5 million (DKK 44.5 million), in retail with an amount of DKK 68.3 million (DKK 65.2 million) and in non-allocated items with an amount of DKK 17.9 million (DKK 15.3 million).

Geographic information
Revenue is allocated to the geographic areas based on the customer's geographic location. Allocation of assets is made based on the geographic location of the assets.

Assets are measured by the same method as in the statement of financial position.

In all material aspects, geographic breakdown of Group revenue and assets are as follows:

	Revenue						Compulsory reporting of assets*			
DKK million	**2011/12**	**2010/11**	**growth 2011/12**	**growth 2010/11**	**share 2011/12**	**share 2010/11**	**30 June 2012**	**30 June 2011**	**share 30June 2012**	**share 30June 2011**
Denmark (Residency)	789.6	778.5	1%	10%	21%	20%	354.8	343.7	54%	51%
Sweden	962.3	974.5	(1%)	15%	25%	25%	197.4	183.1	30%	27%
Norway	411.9	395.1	4%	15%	11%	10%	15.4	16.6	2%	2%
Benelux countries	346.1	401.3	(14%)	1%	9%	10%	11.4	21.7	2%	3%
Eastern Europe and Russia	241.6	287.5	(6%)	15%	6%	7%	31.4	41.2	5%	6%
Central Europe	384.3	387.1	(1%)	13%	10%	10%	29.2	38.5	4%	6%
Rest of Europe	459.7	496.2	(7%)	14%	12%	13%	10.5	16.9	2%	3%
Rest of the World	223.6	205.2	9%	18%	6%	5%	8.7	10.0	1%	2%
Total	**3,819.1**	**3,925.4**	**(3%)**	**12%**	**100%**	**100%**	**658.8**	**671.7**	**100%**	**100%**

*Compulsory reporting of assets consist of non-current assets excluding deferred tax.

The Group sells garments within a number of brands all characterised as "fashion wear". As a result, no Group products or services differentiate by comparison and separate information on products or services are consequently not provided.

4. Staff costs

DKK million	2011/12	2010/11
Total salaries, remuneration, etc. can be specified as follows:		
Remuneration to the Board of Directors	2.3	2.0
Remuneration to the Audit Committee	0.4	0.2
Remuneration to the Remuneration Committee	0.2	-
Salaries and remuneration*	835.8	864.3
Defined contribution plans, cf. note 19 to the consolidated financial statements	43.2	36.8
Defined benefit plans, cf. note 19 to the consolidated financial statements	1.1	(0.4)
Other social security costs	78.9	77.9
Share-based payments	7.7	7.7
Other staff costs	30.1	27.9
Total staff costs	**999.7**	**1,016.4**
Average number of Group employees	**2,312**	**2,396**

* Costs re. external agents amounting to DKK 82.7 million (DKK 80.6 million) have been included under salaries and remuneration.

Remuneration to the Board of Directors, Executive Board and other executives is as follows:

DKK million	Board of Directors 2011/12	Executive Board 2011/12	Other executives* 2011/12	Board of Directors 2010/11	Executive Board 2010/11	Other executives* 2010/11
Remuneration to the Board of Directors	2.3	-	-	2.0	-	-
Remuneration to the Audit Committee	0.4	-	-	0.2	-	-
Remuneration to the Remuneration Committee	0.2	-	-	-	-	-
Salaries and remuneration	-	15.7	23.3	-	15.1	16.9
Bonus payments	-	-	0.6	-	4.1	4.4
Retirement contributions	-	-	1.7	-	-	1.4
Share-based payments	-	3.1	2.7	-	4.0	1.4
Total	**2.9**	**18.8**	**28.3**	**2.2**	**23.2**	**24.1**

* The category Other executives comprises Vice Presidents and Directors. Other executives are together with the Executive Board responsible for planning, executing and supervising the activities of the Group. In 2011/12 16 employees were defined as “Other executives” (13 employees).

The members of the Executive Board and other executives are included in a bonus programme, the payments of which are related to the financial performance of the employee’s own area of responsibility. The bonus potential is in the range of 20-50% of the annual salary. The bonus programme is based on profits achieved in the individual financial year which helps ensure that the Group’s growth targets are met.

Remuneration Policy

The Board of Directors ensures that the total individual remuneration to the members of the Executive Board reflects their performance and the value added to the Company. The remuneration paid to the members of the Executive Board consists of a cash salary, an annual bonus, share-based incentive programmes, a company car and the usual other benefits. The overall composition of the Executive Board’s remuneration is in general expected to be unchanged for 2012/13 meaning that the Remuneration Policy will be applied as in 2011/12.

If the employment of a member of the Executive Board of the Parent Company is terminated by the Company before reaching retirement age, the Company shall pay the executive severance payment during the period of notice, which is 12 months.

Incentive programmes

General information

With the purpose of motivating and retaining employees, other executives and members of the Executive Board, IC Companys has established incentive programmes consisting of option and warrant programmes. Furthermore, these programmes are to ensure common interest between the employees and the shareholders.

All exercise prices have been fixed according to the listed share price applicable on the date of the grant.

The share options and warrants granted to the employees may only be exercised against payment in cash. The obligation regarding the incentive programmes is partly settled by IC Companys’ holding of treasury shares.

Valuation assumptions

The market values of IC Companys’ share options and warrants have been calculated by using the Black & Scholes model.

The expected volatility is based on the volatility over the past years for the IC Companys share compared with Management’s expectations at the time when granted.

The risk-free interest rate has been set corresponding to the yield of a government bond with similar maturity terms as the programme in question.

The applied assumptions are as follows:

Stated in %	2011/12	2010/11
Expected volatility	25.0-46.4	25.0-46.4
Expected dividend rate compared to share price	1.3-4.1	1.3-4.1
Risk-free interest rate (based on Danish government bonds with similar maturity terms)	2.7-4.4	2.7-4.4

Outstanding share options are specified as follows:

	Executive Board (no.)	Other employees (no.)	Total (no.)	Average exercise price per option (DKK)
Outstanding share options at 1 July 2010	**271,353**	**311,251**	**582,604**	**221.4**
Exercised	(20,000)	-	(20,000)	151.2
Granted during the financial year	60,000	-	60,000	237.3
Outstanding share options at 30 June 2011	**311,353**	**311,251**	**622,604**	**226.3**
Expired/void	(10,000)	-	(10,000)	171.2
Void due to discontinuation of employment	-	(23,167)	(23,167)	239.5
Outstanding share options at 30 June 2012	**301,353**	**288,084**	**589,437**	**228.9**
Number of shares options that are exercisable at 30 June 2012	**261,353**	**140,284**	**401,637**	**258.0**

	Financial year	Outstanding share options	Exercise price per option (DKK)	Exercise period 4 weeks after announcement of annual report	
Other employees	2007/08	140,284	329.4 + 5% p.a.	from 2011/12	to 2012/13
Executive Board	2007/08	21,353	329.4 + 5% p.a.	from 2011/12	to 2012/13
Executive Board	2007/08	120,000	180.0 + 5% p.a.	from 2011/12	to 2012/13
Executive Board	2008/09	20,000	163.0 + 5% p.a.	from 2011/12	to 2012/13
Executive Board	2008/09	20,000	113.0 + 5% p.a.	from 2011/12	to 2012/13
Executive Board	2009/10	60,000	126.0	from 2011/12	to 2012/13
Other employees	2009/10	147,800	139.0	from 2011/12	to 2013/14
Executive Board	2010/11	60,000	237.3	from 2011/12	to 2012/13
Total share options		**589,437**	**228.9**		

No share options have been exercised in 2011/12.

The fair value of the share options recognised in the consolidated income statement amounted to costs of DKK 1.3 million (DKK 5.9 million) for 2011/12. The fair value of the share options recognised in the Parent Company's income statement amounted to costs of DKK 0.8 million (DKK 5.0 million) for 2011/12.

Outstanding warrants are specified as follows:

	Executive Board (no.)	Other employees (no.)	Total (no.)	Average exercise price per warrant (DKK)
Outstanding warrants at 1 July 2010	**-**	**-**	**-**	**-**
Granted during the financial year	-	98,590	98,590	263.8
Outstanding warrants at 30 June 2011	**-**	**98,590**	**98,590**	**263.8**
Granted during the financial year	147,294	110,471	257,765	153.9
Void due to discontinuation of employment	-	(11,097)	(11,097)	211.7
Outstanding warrants at 30 June 2012	**147,294**	**197,964**	**345,258**	**183.2**
Number of warrants that are exercisable at 30 June 2012	**-**	**-**	**-**	**-**

	Financial year	Outstanding warrants	Exercise price per warrant (DKK)	Exercise period 14 days after announcement of annual report	
Other employees	2010/11	92,018	263.8	from 2012/13	to 2014/15
Executive Board	2011/12	147,294	166.8	from 2013/14	to 2015/16
Other employees	2011/12	105,946	136.0	from 2013/14	to 2015/16
Total warrants		**345,258**	**183.2**		

No warrants have been exercised in 2011/12.

The fair value of the warrants recognised in the consolidated income statement amounted to costs of DKK 6.4 million (DKK 1.8 million) for 2011/12. The fair value of the warrants recognised in the Parent Company's income statement amounted to costs of DKK 3.8 million (DKK 0.8 million) for 2011/12.

5. Other external costs

Other external costs include the total fees paid to the auditors appointed at the annual general meeting for auditing the financial statements for the financial year under review.

DKK million	2011/12	2010/11
Statutory audit	3.6	3.6
Other statements and opinions with guarantees	0.1	0.1
Tax consultancy	1.9	1.5
Other services	0.4	0.3
Total other external costs	**6.0**	**5.5**

One of the Group's minor subsidiaries is not audited by Deloitte, nor by its international business partners nor by a recognised international auditing company. Costs attributable to this amount to DKK 0.1 million (DKK 0.1 million).

6. Other operating income and costs

DKK million	2011/12	2010/11
Loss on sale of intangible assets and property, plant and equipment	(2.6)	(2.4)
Proceeds in connection with handing over store leases	13.4	9.2
Other	-	1.7
Total other operating income and costs	**10.8**	**8.5**

7. Financial income and costs

DKK million	2011/12	2010/11
Financial income:		
Interest on bank deposits	5.2	-
Interest on receivables	5.0	6.5
Other financial income	1.5	-
Interest income from financial assets not measured at fair value through the income statement	**11.7**	**6.5**
Realised gain on derivative financial instruments	22.8	0.9
Net gain on foreign currency translation	1.2	-
Total financial income	**35.7**	**7.4**
Financial costs:		
Interest on liabilities to credit institutions	(14.4)	(11.5)
Interest on mortgage loans	(4.9)	(3.0)
Other financial costs	(3.1)	(1.3)
Interest costs from financial liabilities not measured at fair value through the income statement	**(22.4)**	**(15.8)**
Realised loss on derivative financial instruments	(14.0)	(4.5)
Net loss on foreign currency translation	-	(0.5)
Total financial costs	**(36.4)**	**(20.8)**
Net financials	**(0.7)**	**(13.4)**

8. Tax for the year

DKK million	2011/12	2010/11
Current tax		
Current tax for the year under review	36.3	45.5
Prior-year adjustments, current tax	0.3	(3.0)
Foreign non-income dependent taxes	2.1	1.6
Total current tax	38.7	44.1
Deferred tax		
Change in deferred tax	28.7	5.5
Prior-year adjustments, deferred tax	-	2.0
Adjustment regarding changes in tax rates, deferred tax	0.4	0.2
Total deferred tax	29.1	7.7
Tax for the year	**67.8**	**51.8**
Recognised as follows:		
Tax on profit for the year	40.3	61.6
Tax on other comprehensive income	27.5	(9.8)
Tax for the year	**67.8**	**51.8**
Net tax receivable at 1 July	**25.0**	**17.9**
Tax payable on profit for the year	(39.2)	(42.9)
Tax paid during the year	29.5	49.0
Foreign currency translation adjustments, etc.	0.5	1.0
Net tax receivable at 30 June	**15.8**	**25.0**
Recognised as follows:		
Tax receivable	34.8	35.2
Tax payable	(19.0)	(10.2)
Net tax receivable at 30 June	**15.8**	**25.0**

Breakdown on tax on profit for the year is as follows:

DKK million	2011/12	2010/11
Calculated tax on profit before tax, 25%	32.4	76.9
Effect of other non-taxable income and non-deductable costs	5.3	4.3
Effect of adjustment regarding changes in tax rates, deferred tax	0.4	0.2
Effect of net deviation of tax in foreign subsidiaries relative to 25%	(1.1)	(1.7)
Foreign non-income dependent taxes	2.1	1.6
Prior-years adjustments	0.6	(1.0)
Other adjustments including revaluation of tax losses, etc.	0.6	(18.7)
Total tax on profit for the year	**40.3**	**61.6**
Effective tax rate for the year (%)	**31.0**	**20.0**
Tax on other comprehensive income		
Foreign currency translation adjustments arising in connection with foreign subsidiaries	(6.4)	(6.7)
Fair value adjustment on derivatives held as cash flow hedges	(21.1)	16.5
Total tax on other comprehensive income	**(27.5)**	**9.8**

9. Earnings per share

DKK million / 1,000 shares	2011/12	2010/11
Profit for the year	89.4	246.3
Profit for the year attributable to non-controlling interests	(1.3)	(3.7)
Profit for the year attributable to shareholders of IC Companys	**88.1**	**242.6**
Average number of shares	16,942.8	16,942.8
Average number of treasury shares	(540.7)	(550.0)
Average number of outstanding shares	**16,402.1**	**16,392.8**
Average diluted effect of outstanding share options and warrants	4.2	127.1
Average number of shares excluding treasury shares, diluted	**16,406.3**	**16,519.9**
Earnings per share (EPS) at nominal value DKK 10	5.4	14.8
Diluted earnings per share (EPS-D) at nominal value DKK 10*	5.4	14.7

*When calculating diluted earnings per share, 421,637 share options (225,985 share options) have not been included as they are characterised as out-of-the-money, but they may, however, dilute earnings per share in the future.

10. Dividends

Please see note 9 of the financial statements of the Parent Company.

11. Intangible assets and property, plant and equipment

Intangible assets

DKK million	Goodwill	Software and IT systems	Trade-mark rights	Lease-hold rights	IT systems under de-velopment	Total intangible assets
Cost at 1 July 2010	**194.3**	**185.6**	**8.1**	**94.3**	**13.6**	**495.9**
Foreign currency translations adjustments	5.1	-	-	1.8	-	6.9
Reclassification of assets under construction	-	18.5	-	-	(18.5)	-
Additions	-	0.6	-	3.7	18.7	23.0
Disposals	-	(0.3)	-	(0.2)	-	(0.5)
Cost at 30 June 2011	**199.4**	**204.4**	**8.1**	**99.6**	**13.8**	**525.3**
Foreign currency translations adjustments	5.7	-	-	-	-	5.7
Reclassification of assets under construction	-	6.0	-	-	(6.0)	-
Additions	-	28.3	-	4.4	1.6	34.3
Disposals	-	(0.1)	-	(12.9)	-	(13.0)
Cost at 30 June 2012	**205.1**	**238.6**	**8.1**	**91.1**	**9.4**	**552.3**
Accumulated amortisation and impairment at 1 July 2010	**-**	**(164.2)**	**(8.0)**	**(74.7)**	**-**	**(246.9)**
Foreign currency translations adjustments	-	-	-	(1.1)	-	(1.1)
Amortisation and impairment on disposals	-	0.3	-	0.2	-	0.5
Amortisation and impairment for the year	-	(11.9)	-	(3.5)	-	(15.4)
Accumulated amortisation and impairment at 30 June 2011	**-**	**(175.8)**	**(8.0)**	**(79.1)**	**-**	**(262.9)**
Foreign currency translations adjustments	-	(0.2)	(0.1)	(0.3)	0.1	(0.5)
Amortisation and impairment on disposals	-	0.2	-	10.9	-	11.1
Amortisation and impairment for the year	-	(14.3)	-	(5.1)	-	(19.4)
Accumulated amortisation and impairment at 30 June 2012	**-**	**(190.1)**	**(8.1)**	**(73.6)**	**0.1**	**(271.7)**
Carrying amount at 30 June 2012	**205.1**	**48.5**	**-**	**17.5**	**9.5**	**280.6**
Carrying amount at 30 June 2011	**199.4**	**28.6**	**0.1**	**20.5**	**13.8**	**262.4**

Property, plant and equipment

DKK million	Land and buildings	Leasehold improve-ments	Equip-ment & furniture	Assets-under con-struction	Total property plant & equipment
Cost at 1 July 2010	**191.6**	**391.8**	**416.0**	**7.5**	**1,006.9**
Foreign currency translations adjustments	0.6	6.4	5.2	0.2	12.4
Reclassification of assets under construction	-	0.9	1.7	(2.6)	-
Additions	0.1	38.8	39.6	0.8	79.3
Disposals	-	(31.0)	(38.5)	-	(69.5)
Cost at 30 June 2011	**192.3**	**406.9**	**424.0**	**5.9**	**1,029.1**
Foreign currency translations adjustments	0.7	2.1	2.2	0.1	5.1
Reclassification of assets under construction	-	-	0.2	(0.2)	-
Additions	1.1	35.1	38.6	(3.3)	71.5
Disposals	-	(74.0)	(61.0)	-	(135.0)
Cost at 30 June 2012	**194.1**	**370.1**	**404.0**	**2.5**	**970.7**
Accumulated depreciation and impairment at 1 July 2010	**(30.1)**	**(259.3)**	**(309.1)**	**-**	**(598.5)**
Foreign currency translations adjustments	(0.3)	(3.8)	(3.9)	-	(8.0)
Depreciation and impairment on disposals	-	30.5	32.0	-	62.5
Depreciation and impairment for the year	(6.9)	(56.3)	(46.4)	-	(109.6)
Accumulated depreciation and impairment at 30 June 2011	**(37.3)**	**(288.9)**	**(327.4)**	**-**	**(653.6)**
Foreign currency translations adjustments	(0.2)	(1.8)	(2.3)	-	(4.4)
Depreciation and impairment on disposals	-	76.0	58.4	-	134.4
Depreciation and impairment for the year	(4.9)	(57.7)	(46.7)	-	(109.3)
Accumulated depreciation and impairment at 30 June 2012	**(42.4)**	**(272.4)**	**(318.0)**	**-**	**(632.7)**
Carrying amount at 30 June 2012	**151.7**	**97.7**	**86.0**	**2.5**	**337.9**
Carrying amount at 30 June 2011	**155.0**	**118.0**	**96.6**	**5.9**	**375.5**

Goodwill

Goodwill on business combinations is allocated at the takeover date to the cash-generating units expected to achieve economic benefits from the takeover. The carrying amount of goodwill is allocated to the respective cash-generating units as follows:

DKK million	30 June 2012	30 June 2011
Tiger of Sweden AB	87.2	83.7
Peak Performance AB	53.5	51.3
Saint Tropez A/S	37.0	37.0
IC Companys Norway AS (the Peak Performance activity of the enterprise)	27.4	27.4
Carrying amount of goodwill	**205.1**	**199.4**

Goodwill is tested at least once annually for impairment and more frequently in the event that impairment is indicated.

The recoverable amounts of the individual cash-generating units to which the goodwill amounts have been allocated are calculated based on expected discounted future cash flows compared with the carrying amounts. Future cash flows are based on the enterprises' business plans and budgets during the strategy period for 2012/13–2016/17. The most important parameters in the calculation of the net present value are revenue, EBITDA and working capital. The business plans are based on Management's specific assessment of the business units' expected performance during the strategy period. When calculating the net present value, a discount rate of 13.78% before tax/10.35% after tax has been applied which is unchanged compared to 2010/11.

No write-down of goodwill was recorded during the financial year 2011/12 (no write-downs of goodwill last financial year).

Leasehold rights with indeterminable useful lives

Of the total carrying amount of leasehold rights DKK 6.2 million (DKK 6.2 million) relates to leasehold rights with indeterminable useful lives which are determined on the basis of the contractual terms of the leases. Therefore, impairment tests were conducted at 30 June 2012, and Management assessed that the recoverable amount exceeded the carrying amount.

Non-current assets including leasehold rights with determinable useful lives in Group stores

The Group's non-current assets, which are located in Group stores, are tested annually for impairment. The recoverable amounts of the individual stores (cash-generating units) are calculated based on the store's net present value. Future cash flows are based on the individual store's budget for a period corresponding to the average expected useful life of the store's assets. When calculating the net present value, a discount rate of 13.78% before tax/10.35% after tax has been applied which is unchanged compared to 2010/11.

Write-downs of non-current assets and leasehold rights amounted to DKK 18.7 million (DKK 7.1 million) for 2011/12 which have been recognised in the retail segment.

12. Financial assets

DKK million	Long-term loans to business partners	Shares	Deposits, etc.	Total financial assets
Carrying amount at 1 July 2010	**5.7**	**0.7**	**29.6**	**36.0**
Net additions, disposals and foreign currency translation adjustments for the year	(5.3)	-	3.1	(2.2)
Carrying amount at 30 June 2011	**0.4**	**0.7**	**32.7**	**33.8**
Net additions, disposals and foreign currency translation adjustments for the year	(0.2)	6.6	0.1	6.5
Carrying amount at 30 June 2012	**0.2**	**7.3**	**32.8**	**40.3**

Long-term loans to business partners

The Group had granted subordinated loans of DKK 4.5 million to business partners as at 30 June 2011. An amount of DKK 0.4 million of the loans was classified as long-term loans to business partners.

The Group has received payments of DKK 0.2 million relating to long-term loans for 2011/12. As at 30 June 2012 an amount of DKK 0.2 million was classified as long-term loans to business partners. The short-term part of the loans amounting to DKK 0.2 million has been recognised under other receivables.

All outstanding amounts are interest-bearing.

No security has been received for the loan. The carrying amount of the financial assets corresponds to the fair value.

Shares
Net additions for the year amounting to DKK 6.6 millon are attributable to shares used for hedging of retirement benefit obligations in one of the Group enterprises.

13. Deferred tax

DKK million	30 June 2012	30 June 2011
Deferred tax at 1 July	**42.7**	**52.4**
Prior-year adjustments	-	(2.0)
Adjustment regarding changes in tax rates	(0.4)	(0.2)
Foreign currency translation adjustments	(1.8)	(2.0)
Deferred tax on other comprehensive income	(27.5)	16.5
Change in deferred tax on profit for the year	(1.1)	(22.0)
Net deferred tax at 30 June	**11.9**	**42.7**
Recognised as follows:		
Deferred tax assets	64.1	99.0
Deferred tax liabilities	(52.2)	(56.3)
Net deferred tax at 30 June	**11.9**	**42.7**
Breakdown of deferred tax at 30 June as follows:		
Gross deferred tax assets and liabilities	64.5	94.0
Unrecognised tax assets	(52.6)	(51.3)
Net deferred tax at 30 June	**11.9**	**42.7**

Unrecognised tax assets relate to tax losses that are assessed not to be sufficiently likely to be utilised in the foreseeable future. The unrecognised tax losses have in all material respect no expiry date.

Temporary differences and changes during the year are specified as follows:

DKK million	Net deferred tax assets at 1 July 2011	Foreign currency translation adjustment	Recognised in profit for the year	Recognised in other comp. income	Net deferred tax assets at 30 June 2012
Intangible assets	7.4	0.1	(1.1)	-	6.4
Property, plant and equipment	15.4	(0.1)	12.2	-	27.5
Receivables	1.2	0.1	0.4	-	1.7
Inventories	26.9	0.2	(5.1)	-	22.0
Provisions	-	-	3.3	-	3.3
Other liabilities	(50.8)	(2.1)	4.1	-	(48.8)
Financial instruments	17.0	-	-	(27.5)	(10.5)
Tax losses	76.9	0.2	(14.2)	-	62.9
Unrecognised tax assets	(51.3)	(0.2)	(1.1)	-	(52.6)
Total	**42.7**	**(1.8)**	**(1.5)**	**(27.5)**	**11.9**

DKK million	Net deferred tax assets at 1 July 2010	Foreign currency translation adjustment	Recognised in profit for the year	Recognised in other comp. income	Net deferred tax assets at 30 June 2011
Intangible assets	8.0	-	(0.6)	-	7.4
Property, plant and equipment	20.0	(0.1)	(4.5)	-	15.4
Receivables	14.0	0.2	(13.0)	-	1.2
Inventories	27.9	-	(1.0)	-	26.9
Provisions	6.6	-	(6.6)	-	-
Other liabilities	(43.1)	(2.4)	(5.3)	-	(50.8)
Financial instruments	0.5	-	-	16.5	17.0
Tax losses	89.8	(0.2)	(12.7)	-	76.9
Unrecognised tax assets	(71.3)	0.5	19.5	-	(51.3)
Total	**52.4**	**(2.0)**	**(24.2)**	**16.5**	**42.7**

14. Inventories

DKK million	30 June 2012	30 June 2011
Raw material and consumables	42.3	30.4
Finished goods and goods for resale	341.0	355.0
Goods in transit	145.2	171.1
Total inventories	**528.5**	**556.5**

Changes in inventory write-downs are as follows:

DKK million	30 June 2012	30 June 2011
Inventory write-downs at 1 July	**120.6**	**130.1**
Write-down for the year, additions	47.8	47.7
Write-down for the year, reversals	(61.1)	(57.2)
Total inventory write-downs	**107.3**	**120.6**

Inventories recognised at net realisable value amounted to DKK 87.3 million (DKK 95.1 million) at 30 June 2012.

15. Trade receivables

Trade receivables (gross) are specified as follows:

DKK million	30 June 2012	30 June 2011
Not yet due	279.6	257.4
Due, 1-60 days	67.3	76.8
Due, 61-120 days	41.7	28.8
Due more than 120 days	59.3	44.1
Total gross trade receivables	**447.9**	**407.1**

In general, the receivables do not carry interest until between 30 and 60 days after the invoice date. After this date, interest is charged on the outstanding amount.

The Group has recognised DKK 5.0 million (DKK 6.5 million) in connection with interest on overdue trade receivables for 2011/12.

Change in write-downs regarding trade receivables is as follows:

DKK million	30 June 2012	30 June 2011
Write-downs 1 July	**49.1**	**72.2**
Foreign currency translations adjustments	2.9	4.3
Change in write-downs for the year	18.1	(11.9)
Realised loss for the year	(14.1)	(15.5)
Total write-downs	**56.0**	**49.1**

Receivables are written down to net realisable value corresponding to the amount of expected future net payments received on the receivables. Write-downs are calculated on the basis of individual assessments of the receivables.

The carrying amounts of the receivables correspond in all material respect to their fair values.

16. Other receivables

DKK million	30 June 2012	30 June 2011
VAT	12.0	11.6
Receivables from third party stores	9.4	2.3
Credit card receivables	10.0	9.5
Unrealised gain on financial instruments	76.2	2.0
Sundry receivables	29.8	20.0
Total other receivables	**137.4**	**45.4**

All other receivables are due for payment within 1 year.

Management assesses that the carrying amount of receivables at 30 June 2012 corresponds in all material respect to the fair value, and that the receivables are not subject to any particular credit risk.

17. Prepayments

DKK million	30 June 2012	30 June 2011
Collection samples	44.2	46.3
Advertising	6.5	8.2
Rent, etc.	29.0	27.5
Others	29.7	24.8
Total prepayments	**109.4**	**106.8**

18. Share capital

The share capital consists of 16,942,807 shares with a nominal value of DKK 10 each. No shares carry any special rights. The share capital is fully paid up.

The below capital adjustments have been made in the past five years as follows:

	Number	Nominal value DKK thousand
Share capital at 1 July 2007	**18,393,498**	**183,935**
Exercise of warrants in 2007/08	112,059	1,121
Share capital reduction due to share buy-back programmes	(585,925)	(5,859)
Share capital at 30 June 2008	**17,919,632**	**179,197**
Share capital reduction due to share buy-back programmes	(976,825)	(9,768)
Share capital at 30 June 2009	**16,942,807**	**169,428**
Share capital at 30 June 2010	**16,942,807**	**169,428**
Share capital at 30 June 2011	**16,942,807**	**169,428**
Share capital at 30 June 2012	**16,942,807**	**169,428**

Treasury shares are as follows:

	% of share capital	Number	Nominal value DKK thousand
Treasury shares at 1 July 2010	**3.0**	**500,672**	**5,007**
Addition through share buy-back programmes	0.3	60,000	600
Employed in connection with exercise of share options	(0.1)	(20,000)	(200)
Treasury shares at 30 June 2011	**3.2**	**540,672**	**5,407**
Treasury shares at 30 June 2012	**3.2**	**540,672**	**5,407**

Pursuant to a resolution passed by the shareholders at the Company's general meeting, the Company may acquire treasury shares equivalent to a maximum of 10% of the share capital.

The Company has not engaged in any share buy-back for the financial year 2011/12.

The value of the Company's treasury shares at market price on 30 June 2012 amounted to DKK 52.7 million (DKK 119.5 million).

19. Retirement benefit obligations

The retirement benefit obligations of Danish companies are covered by insurance which is also the case with the retirement benefit obligations of a large number of the Group's subsidiaries. Foreign subsidiaries whose retirement benefit obligations are not or only partly covered by insurance (defined benefit plans) recognise the uncovered retirement benefit obligations on an actuarial basis at the present value at the end of the reporting period. The Group has defined benefit plans in the Netherlands and Norway. These retirement plans are covered in retirement funds for the employees. In the consolidated financial statements an amount of DKK 6.3 million (DKK 5.8 million) has been recognised under liabilities in relation to the Group's obligations for current and former employees after deduction of assets relating to the plan. The Parent Company only operates defined contribution pension plans.

Furthermore, an amount of DKK 6.6 million (DKK nil) attributable to retirement benefit obligations in one of the Group enterprises has been included which has been hedged by shares and recognised under financial assets.

For defined benefit plans, the present value of future benefits, which the Company is liable to pay under the plan, is computed using actuarial principles. The computation of the present value is based on assumptions of computable rate of interest, increases in pay rates and retirement contributions, investment yield, staff resignation rates and mortality rates. Present value is computed exclusively for the benefits to which the employees have earned entitlement through their employment with the Company up till now.

Costs of DKK 43.2 million (DKK 36.8 million) have been recognised in the consolidated income statement relating to plans covered by insurance (defined contribution plans). For plans not covered by insurance (defined benefit plans) costs of DKK 1.1 million have been recognised (income of DKK 0.4 million).

For defined contribution plans, the employer is obliged to pay a defined contribution (for example a fixed amount or a fixed percentage of an employee's salary). For defined contribution plans, the Group runs no risk in respect of future developments in interest rates, inflation, mortality or disability.

DKK million	30 June 2012	30 June 2011
Recognised in the income statement:		
Contributions for defined contributions plans	**43.2**	**36.8**
Retirement benefit obligations for the year	1.2	0.5
Calculated interest on obligations	1.4	1.6
Expected return on the assets of the plan, etc.	(1.1)	(1.3)
Prior-year adjustments	-	(0.1)
Recognised actuarial gain/loss	(0.4)	(1.1)
Total recognised obligations regarding defined benefit plans	**1.1**	**(0.4)**
Total recognised obligations in the income statement	**44.3**	**36.4**
Change in recognised obligations:		
Net obligations for defined benefit plans at 1 July	5.8	6.9
Foreign currency translation adjustments of obligations, at the beginning of the year	0.1	0.1
Recognised in the income statement	1.1	(0.3)
Group contributions	(0.7)	(0.9)
Total net obligations	**6.3**	**5.8**

The retirement benefit obligations are specified as follows:

DKK million	30 June 2012	30 June 2011	30 June 2010	30 June 2009	30 June 2008
Present value of defined benefit plans	40.3	35.8	35.0	25.0	30.6
Fair value of the assets of the plan	(34.0)	(30.0)	(28.1)	(20.4)	(24.9)
Total net retirement benefit obligations	**6.3**	**5.8**	**6.9**	**4.6**	**5.7**

The average assumptions for the actuarial calculations at the end of the reporting period were as follows:

Stated in %	2012	2011
Average discounting rate applied	3.1	4.4
Expected return on plan assets	3.7	5.1
Expected future pay increase rate	2.6	3.0

The plan assets consist of ordinary investment assets, including shares and bonds. No investments have been made in treasury shares.

The expected return on the plans is based on long term expectations for the return of the assets in the respective countries. The return on the plans' assets amounted to DKK 9.5 million for 2011/12 (gain of DKK 1.8 million). The Group's expected contribution to the plans for 2011/12 amounted to DKK 0.7 million.

20. Provisions

DKK million	Provisions for expected potential financial risks of pending litigation	Provisions for loss-making contracts	Total provisions
Provisions at 1 July 2010	**2.2**	**-**	**2.2**
Provisions employed for the year	(2.2)	-	(2.2)
Provisions at 1 July 2011	**-**	**-**	**-**
Provisions for the year	1.5	5.6	7.1
Provisions at 30 June 2012	**1.5**	**5.6**	**7.1**

From time to time the Group is involved in court litigations of various kinds. Management considers that pending litigation poses no significant financial risks.

21. Non-current liabilities to credit institutions

DKK million	30 June 2012	30 June 2011
Maturity structure of non-current liabilities:		
After 5 years from the end of the reporting period	140.0	140.0
Total non-current liabilities	**140.0**	**140.0**
Nominal value	**140.0**	**140.0**

Non-current liabilities to credit institutions as at 30 June 2012 constituted a mortgage loan denominated in DKK and based on a six month CIBOR interest. The loan was taken out on 26 January 2010 with the Group's headquarters located at Raffinaderivej 10 as security for the loan. The average interest rate for 2011/12 amounted to 2.03% p.a. (1.99% p.a.). As of 30 June 2011 the loan was hedged with a 2 year interest rate swap. 6 month CIBOR interest is received and a fixed interest rate of 1.17% p.a. is paid.

22. Current liabilities to credit institutions

The Group's total current liabilities to credit institutions comprise Danish and foreign overdraft facilities carrying variable interest at an average rate of 3.22% p.a. (2.99% p.a.).

Current liabilities are repayable on demand, and therefore the carrying amount corresponds to the fair value.

Current liabilities to credit institutions are denominated in the currencies as follows:

Stated in %	30 June 2012	30 June 2011
DKK	4	25
SEK	61	21
EUR	13	16
USD	-	8
PLN	13	7
CHF	1	4
CAD	4	2
GBP	1	1
Other currencies	3	16
Total	**100**	**100**

23. Other liabilities

DKK million	30 June 2012	30 June 2011
VAT, customs and tax deducted from income at source	73.9	77.1
Salaries, social security costs and holiday allowance payable	116.1	125.6
Unrealised loss on financial instruments	39.1	78.9
Severance payments	6.3	4.0
Other costs payable	123.1	112.2
Total other liabilities	**358.5**	**397.8**

In other costs payable an amount of DKK 34.6 million (DKK 44.0 million) has been recognised which is due after 12 months.

The carrying amount of amounts payable under other liabilities corresponds in all material respect to the fair value of the liabilities.

24. Operating leases

DKK million	30 June 2012	30 June 2011
Commitments under non-terminable operating leases are:		
Store leases and other land and buildings		
0-1 year	262.8	282.9
1-5 years	340.1	459.9
More than 5 years	40.5	67.2
Total	**643.4**	**810.0**
Lease of equipment and furniture, etc.		
0-1 year	16.3	13.8
1-5 years	23.2	18.4
More than 5 years	-	-
Total	**39.5**	**32.2**

The Group leases properties under operating leases. The lease period is typically between 3-10 years with an option to extend upon expiry. Many of the lease contracts contain rules regarding revenue based lease.

In addition, the Group leases cars and other operating equipment under operating leases. The lease period is typically between 3-5 years with an option to extend upon expiry.

An amount of DKK 360.2 million (DKK 351.2 million) relating to operating leases has been recognised in the consolidated income statement for 2011/12.

Some of the leased stores are sub-let to franchise stores, etc., and for these, the Group has received a rental income on non-terminable leases of DKK 16.7 million (DKK 17.8 million). The future rental income on non-terminable leases is expected as a minimum to amount to DKK 90.4 million (DKK 79.1 million) for the financial years 2012/13–2017/18.

25. Other liabilities and contingent liabilities

DKK million	30 June 2012	30 June 2011
Guarantees and other collateral security	682.3	665.2

The Company has entered into binding agreements with suppliers on the delivery of collections until 31 December 2012 of which the majority is tied to sales orders entered into with pre-order customers. The Group has furthermore guaranteed punctual and correct payment, secured against the merchandise, on behalf of a business partner in China to the suppliers approved by the Group.

As at 30 June 2012 the Group was not involved in any pending litigation which may have a material effect on the Group's financial position.

The Group is subject to the usual return obligations imposed on the industry. Management expects no major loss on these obligations.

26. Change in working capital

DKK million	30 June 2012	30 June 2011
Change in inventories	28.0	(127.8)
Change in receivables excluding derivative financial instruments	(54.3)	(116.2)
Change in current liabilities excluding tax and derivative financial instruments	57.5	8.5
Total change in working capital	**31.2**	**(235.5)**

27. Cash and cash equivalents

DKK million	30 June 2012	30 June 2011
Cash	82.6	53.8
Credit institutions, current liabilities	(190.7)	(224.7)
Total cash and cash equivalents	**(108.1)**	**(170.9)**

As at 30 June 2012 The Group's total credit facilities amounted to DKK 1,097 million (DKK 1,166 million) in terms of withdrawal rights. Of this amount, DKK 331 million has been drawn in relation to current and non-current liabilities to credit institutions and DKK 174 million has been drawn in relation to trade finance facilities and guarantees. Accordingly, undrawn credit facilities thus amount to DKK 592 million. All credit facilities are standby credits which may be drawn with a day's notice.

28. Financial risks and derivative financial instruments

Foreign exchange risk

The Group's foreign exchange risk (transaction risk) is handled centrally by the Group's Treasury Department. The Parent Company's functional currency is DKK, and foreign exchange positions are generally hedged vis-à-vis DKK. The Group's primary transaction risk relates to the buying and selling of goods in foreign currencies. Hedge accounting as well as hedging of expected risks take place by means of forward contracts and/or options. Hedging is made on a 15-month horizon.

The risk coverage of the Group's transaction exposure is made from an estimate of the cash flow demand for the future 15 months. As a general rule cash flows in all currencies are hedged except from EUR.

Foreign exchange contracts only relate to hedging of selling and buying of goods pursuant to the Group's policy hereto. The risk coverage of the Group's transaction exposure is made from an estimate of the cash flow demand for the future 15 months.

The Group's foreign exchange exposure is hedged centrally although a few subsidiaries have unhedged foreign exchange exposures if they have signed leases in a currency other than the local currency.

As at 30 June 2012 the Group's risks for the coming 0-15 months may be specified as follows:

At 30 June 2012 Million:	Expected inflow	Expected outflow	Hedges 0-6 m.	Hedges 7-12 m.	Hedges 13-15 m.	Average rate	Net position	Net position DKK million
EUR	96.5	(38.6)	-	-	-	-	57.9	430.4
USD	2.4	(149.7)	73.6	55.5	18.2	547.9	-	-
HKD	-	(297.4)	153.2	104.0	40.2	70.3	-	-
SEK	708.9	(8.9)	(300.0)	(280.0)	(120.0)	81.2	-	-
NOK	379.8	-	(174.5)	(147.3)	(58.0)	95.4	-	-
GBP	13.9	-	(6.0)	(6.0)	(1.9)	870.3	-	-
CHF	20.8	-	(11.4)	(5.6)	(3.8)	627.8	-	-
PLN	31.9	-	(15.0)	(11.9)	(5.0)	173.1	-	-
CZK	65.4	-	(31.0)	(23.8)	(10.6)	30.0	-	-
HUF	180.4	-	(75.0)	-	-	2.6	105.4	2.7
CAD	17.4	-	(7.6)	(7.3)	(2.5)	546.3	-	-

At 30 June 2011 Million:	Expected inflow	Expected outflow	Hedges 0-6 m.	Hedges 7-12 m.	Hedges 13-15 m.	Average rate	Net position	Net position DKK million
EUR	122.7	(42.7)	-	-	-	-	80.0	596.6
USD	8.5	(189.9)	86.7	65.1	29.6	541.3	-	-
HKD	-	(507.5)	282.0	132.3	93.2	70.0	-	-
SEK	693.5	(22.5)	(300.0)	(291.0)	(80.0)	81.1	-	-
NOK	409.7	(2.5)	(192.8)	(149.4)	(65.0)	92.3	-	-
GBP	12.1	(0.4)	(4.7)	(5.0)	(2.0)	863.6	-	-
CHF	27.4	-	(13.6)	(9.2)	(4.6)	576.4	-	-
PLN	51.4	(5.5)	(23.2)	(16.4)	(6.3)	183.8	-	-
CZK	94.5	-	(46.7)	(31.8)	(16.0)	30.3	-	-
HUF	265.9	-	(93.6)	(139.3)	(33.0)	2.6	-	-
CAD	20.7	-	(9.0)	(8.7)	(3.0)	536.3	-	-

Net outstanding foreign exchange contracts at 30 June 2012 for the Group and the Parent Company designated and qualifying as hedge accounting of cash flow are as follows:

DKK million	Notial principal*	2012 fair value adjustments recognised in statement of other compr. income	Fair value	Maturity months	Notial principal*	2011 fair value adjustments recognised in statement of other compr. income	Fair value	Maturity months
USD	123.5	46.9	727.8	0-15	161.0	(35.1)	835.4	0-15
HKD	213.6	9.5	162.3	0-15	407.5	(12.0)	272.3	0-15
SEK	(700.0)	(20.1)	(588.5)	0-15	(671.0)	2.0	(542.0)	0-15
NOK	(379.8)	(9.2)	(371.5)	0-15	(407.2)	(11.0)	(386.7)	0-15
Other currencies	-	(8.6)	(206.4)	0-15	-	(10.1)	(504.5)	0-15
Total at 30 June		**18.5**	**(276.3)**			**(66.2)**	**(325.5)**	

* Positive principal amounts on foreign exchange contracts indicate a purchase of the currency in question. Negative principal amounts indicate a sale.

DKK 8.8 million relating to ineffective cash flow hedges has been recognised in the income statement for 2011/12 (DKK 3.6 million). Ineffective cash flow hedges are recognised in the income statement under financial income/costs.

Open foreign exchange contracts for the Group and the Parent Company qualifying as hedges of recognised assets and liabilities are as follows:

DKK million	Notial principal*	2012 fair value adjustments recognised in income statement	Fair value	Maturity months	Notial principal*	2011 fair value adjustments recognised in income statement	Fair value	Maturity months
HKD	83.8	7.4	63.8	0-15	100.0	(4.6)	66.4	0-15
USD	23.8	12.3	113.9	0-15	20.4	(6.1)	105.3	0-15
Total at 30 June		**19.7**	**177.7**			**(10.7)**	**171.7**	

* Positive principal amounts on foreign exchange contracts indicate a purchase of the currency in question. Negative principal amounts indicate a sale.

Fair value adjustments as at 30 June 2012 have been recognised in the consolidated income statement under cost of sales.

The fair values have been calculated based on current interest rate curves and foreign exchange rates as at 30 June 2012.

Neither the Group nor the Parent Company has any open foreign exchange contracts that do not qualify for hedge accounting at 30 June 2012 or at 30 June 2011.

The recognised positive/negative market values under equity have been treated in accordance with the rules for hedging of future cash flows and are closed/adjusted during the year according to the hedge accounting principles.

The net position of the Group calculated according to the value at risk method will as a maximum result in a loss of DKK 1.2 million. The calculation is made by using a 95% confidence interval with a term of 6 months. Value at risk states the amount that as a maximum may be lost on a position calculated by using historical volatilities on the different currencies as well as correlations between the currencies.

Except from derivative financial instruments for hedging of foreign exchange exposure risks in the statement of financial position, no fair value adjustments for unquoted financial assets and liabilities have been recognised in the income statement.

The existing categories of financial assets and liabilities are as follows:

DKK million	30 June 2012	30 June 2011
Unquoted shares recognised under non-current assets (shares)	7.3	0.7
Financial assets at fair value recognised through the income statement	**7.3**	**0.7**
Derivative financial instruments for hedging of recognised assets and liabilities, recognised under current assets (other receivables)	19.7	-
Derivative financial instruments for hedging of future cash flow, recognised under current assets (other receivables)	56.4	2.0
Financial assets for hedging purposes	**76.1**	**2.0**
Deposits (financial assets)	32.8	32.7
Long-term loans (financial assets)	0.2	0.4
Trade receivables	391.9	358.0
Other receivables	61.2	43.4
Cash	82.6	53.8
Loans and receivables	**568.7**	**488.3**
Total financial assets	**652.1**	**491.0**
Liabilities to credit institutions (non-current liabilities)	140.0	140.0
Liabilities to credit institutions (current liabilities)	190.7	224.7
Trade payables	396.5	348.9
Share of other liabilities recognised at amortised cost (non-current liabilities)	34.6	44.0
Share of other liabilities recognised at amortised cost (current liabilities)	248.8	274.9
Financial liabilities measured at amortised cost	**1,046.6**	**1,032.5**
Derivative financial instruments for hedging of recognised assets and liabilities, recognised under current liabilities (other liabilities)	-	10.7
Derivative financial instruments for hedging of future cash flow, recognised under current liabilities (other liabilities)	37.9	67.7
Interest rate swap for hedging interest rate level on the Group's mortgage loan for property at Raffinaderivej 10	1.1	0.5
Financial liabilities for hedging purposes	**39.0**	**78.9**
Total financial liabilities	**1,085.7**	**1,111.4**

Fair value hierarchy for financial instruments measured at fair value in the statement of financial position
The fair value hierarchy is divided into three levels:

- Quoted prices in active markets for identical assets and liabilities (level 1).
- Quoted prices in active markets for identical assets and liabilities or other methods of measurement where all substantial inputs are based on market observables (level 2).
- Method of measurement where substantial inputs may not be based on market observables (level 3).

Calculation of the fair value adjustments of the Group's cash flow hedges and interest rate swaps is based on quoted prices in active markets for identical assets where all substantial inputs are based on market observables (level 2).

Inputs for measurement of the Group's unquoted shares have not been based on market observables (level 3).

Liquidity risk
IC Companys secures a sufficient liquidity reserve by a combination of liquidity control and non-guaranteed credit facilities. Please see below for maturity profiles on financial assets and liabilities.

Interest rate risk
The Group's interest rate risk is continuously monitored by the Treasury Department in accordance with Group policies. The Group employs matching of the maturities of each individual asset/liability. The typical neutral maturity for the Group is 2 months. Potential interest rate risks are hedged by means of FRAs and/or interest rate swaps.

The Company's interest rate risk relates to the interest-bearing debt. The Company's loan portfolio consists of current bank debt and a long-term loan financing the properties which the Company owns. The sensitivity of an interest rate change of 1%/(1%) amounts to approximately DKK 3.8/(3.8) million calculated by using the BPV method (DKK 2.4/(2.4) million).

The below maturity/reassessment profiles applying to the Group's financial assets and liabilities are as follows:

	Re-assessment-/maturity profile				
At 30 June 2012 in DKK million	**0-1 year**	**1-5 years**	**above 5 years**	**Fixed interest rate**	**Effective interest rate**
Long-term loans to business partners	-	0.2	-	No	2.06%
Short-term loans to business partners	0.2	-	-	No	2.06%
Trade receivables	390.7	-	-	No	2-24%
Trade payables	395.3	-	-	No	-
Credit institutions, current liabilities	190.7	-	-	No	3.22%
Credit institutions, non-current liabilities*	-	-	140.0	No	2.03%

	Re-assessment-/maturity profile				
At 30 June 2011 in DKK million	**0-1 year**	**1-5 years**	**above 5 years**	**Fixed interest rate**	**Effective interest rate**
Long-term loans to business partners	-	0.4	-	No	4.05%
Short-term loans to business partners	4.4	-	-	No	4.05%
Trade receivables	358.0	-	-	No	2-24%
Trade payables	348.9	-	-	No	-
Credit institutions, current liabilities	224.7	-	-	No	2.99%
Credit institutions, non-current liabilities*	-	-	140.0	No	2.02%

* The re-assessment profile is within 1-5 years.

Default on loans
The Group has not defaulted any loan during the year under review or last financial year.

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

In respect of trade receivables, the Group typically uses credit insurance in countries in which the credit risk is deemed to be high and where credit insurance is feasible. This primarily applies to export markets in which IC Companys is not represented through an independent sales company.

Beyond this, the credit risk regarding trade receivables and other receivables is limited as the Group has no material credit risk as the exposure is spread on a large amount of counter-parties and customers in many different markets.

Capital structure
The Company's Management considers on a regular basis whether the Group's capital structure is in the best interest of the Company and its shareholders. The general target is to ensure a capital structure which supports long-term financial growth and at the same time increases the return on investment for the Group's stakeholders by optimising the ratio between equity and debt. The overall strategy of the Group is unchanged compared to last year. The Group's capital structure consists of debt which includes financial liabilities such as mortgage loan, bank loans and cash and equity which includes share capital, other reserves as well as retained earnings.

29. Related party transactions

IC Companys A/S' related parties include subsidiaries as set out at the back of this Annual Report, their boards of directors, executive boards and other executives as well as their related family members. Related parties also comprise enterprises in which the individuals mentioned above have material interests. IC Companys A/S has no related parties with controlling influence on the Company.

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

Information on trading with subsidiaries is as follows:

DKK million	Group 30 June 2012	Group 30 June 2011	Parent Company 30 June 2012	Parent Company 30 June 2011
Purchase of finished goods and consumables from subsidiaries	-	-	1,276.3	1,316.2
Sale of finished goods and consumables to subsidiaries	-	-	1,405.2	1,466.1
Sale of services to subsidiaries	-	-	136.3	61.9

Transactions with subsidiaries have been eliminated in the consolidated financial statements in accordance with the accounting policies.

The remuneration paid to the members of the Board of Directors, Executive Board and other executives as well as share-based remuneration programmes and acquisitions are disclosed in note 4 to the consolidated financial statements. Shareholdings of the Board of Directors and the Executive Board are disclosed under Executive Board and Board of Directors in the section IC Companys' work with Corporate Governance.

Interest on accounts with subsidiaries is stated in note 7 to the financial statements of Parent Company.

The Parent Company's accounts with the subsidiaries comprise ordinary trade balances concluded on trading terms equivalent to those applied for the Group's and the Parent Company's other customers and suppliers. Furthermore, the Parent Company has granted loans to subsidiaries with a total balance as at 30 June 2012 of DKK 945.8 million (DKK 861.6 million). The loans carry interest on normal market terms. DKK 912.8 million becomes due for payment in the financial year 2014/15 and the remaining DKK 33.0 million consists of two bullet loans for which no due dates have been set. The Parent Company's net receivables from subsidiaries include a provision of DKK 164.0 million (DKK 160.2 million) to meet likely future losses in subsidiaries with negative equity values.

The Parent Company has issued letters of comfort for certain subsidiaries.

The Parent Company has recognised dividends of DKK 221.3 million (DKK 413.0 million) from subsidiaries for 2011/12.

The Company has had other transactions during the year with the CEO of the Company as well as the Chairman of the Board of Directors and companies controlled by the Chairman of the Board of Directors. The transactions were all made on arm's length terms and did not exceed DKK 1 million for the financial year under review.

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

30. Events after the reporting period

No material events have taken place after the reporting period that have not been recognised or included in this Annual Report.

31. Approval of the announcement of the Annual Report

The Board of Directors of IC Companys A/S has approved the announcement of this Annual Report at a board meeting held on 7 August 2012. This Annual Report will be presented for approval at the Annual General Meeting of IC Companys A/S to be held on 24 September 2012.

32. Significant accounting policies

Except from the accounting policies described in note 1 and note 2 to the consolidated financial statements, the significant accounting policies applied are as described below.

Basis of consolidation
The consolidated financial statements consist of the financial statements of IC Companys A/S (the Parent Company) and its subsidiaries in which the Company's voting rights directly or indirectly exceed 50%, or in which the Company is able to exercise a controlling interest in any other way.

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

The items of the financial statements of subsidiaries are fully consolidated in the consolidated financial statements. The proportionate share of the results of non-controlling interests is recognised in the consolidated income statement for the year.

Business combinations
Newly acquired or newly established companies are recognised in the consolidated financial statements from the acquisition date or incorporation date. The acquisition date is the date when control of the company actually passes to the Group. Companies sold or liquidated are recognised up to the date of disposal or liquidation. The date of disposal is the date when control of the company actually passes to a third party.

Acquisitions are accounted for using the acquisition method, under which the identifiable assets, liabilities and contingent liabilities of companies acquired are measured at fair value at the acquisition date. Non-current assets held for sale are measured at fair value less expected costs to sell, however.

Restructuring costs are only recognised in the acquisition's statement of financial position if they represent a liability to the acquired company. The tax effect of revaluations is taken into account.

The cost of a company is the fair value of the consideration paid. If the final determination of the consideration is conditional on one or more future events, these adjustments are recognised at fair value from the acquisition date.

Costs directly attributable to acquisitions are recognised directly in the income statement from the date of payment.

Any excess (goodwill) of the cost of an acquired company, the value of the non-controlling interest in the acquired company and the fair value of previously acquired capital interests over the fair value of the acquired assets, liabilities and contingent liabilities is recognised as an asset under intangible assets and tested annually for impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is written down to the lower recoverable amount.

In case of negative differences (negative goodwill), the calculated fair values and the calculated cost of the company, the value of the non-controlling interest in the acquired company and the fair value of previously acquired capital interests are reassessed. If the difference is still negative following the reassessment, the difference is then recognised as income in the income statement.

Acquisitions of non-controlling interest in subsidiaries are accounted for as equity transactions in the consolidated financial statements, and the difference between the consideration and the carrying amount is recognised under equity owned by Parent Company.

Gains or losses on disposal or liquidation of subsidiaries are stated as the difference between the disposal or liquidation amount and the carrying amount of net assets including goodwill at the date of disposal or liquidation, accumulated foreign exchange adjustments recognised under other comprehensive income and anticipated disposal or liquidation costs. The disposal or liquidation amount is measured as the fair value of the consideration received.

Foreign currency translation
For each of the reporting entities in the Group, a functional currency is determined. The functional currency is the currency in the primary economic environment in which the individual reporting entity operates. Transactions in currencies other than the functional currency are transactions denominated in foreign currencies.

On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rate ruling at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement under revenue, cost of sales or financial income or costs.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the end of the reporting period. The difference between the exchange rate ruling at the end of the reporting period and the exchange rate at the date when the receivable or payable arose or was recorded in the most recent annual report is recognised in the income statement under revenue, sales of costs or financial income and costs. Property, plant and equipment and intangible assets, inventories and other non-monetary assets acquired in foreign currencies and measured based on historical cost are translated at the exchange rates prevailing at the transaction date.

The statements of financial position of foreign subsidiaries are translated into DKK at the exchange rate ruling at the end of the reporting period, while income statements are translated into DKK at monthly average exchange rates during the year. Foreign exchange differences arising on the translation of foreign subsidiaries' opening equity using the exchange rates ruling at the end of the reporting period as well as on the translation of the income statements using average exchange rates at the end of the reporting period are recognised under other comprehensive income. Foreign exchange adjustments of receivables and subordinated loan capital in foreign subsidiaries that are considered to be part of the overall investment in the subsidiaries are recognised under other comprehensive income in the consolidated financial statements and in the income statement of the financial statements of the Parent Company.

Derivative financial instruments and hedging activities
On initial recognition, derivative financial instruments are measured at their fair value at the end of the reporting period. Positive and negative fair values of derivative financial instruments are recognised under other receivables and other liabilities, respectively, as unrealised gain on financial instruments and unrealised loss on financial instruments, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as cash flow hedges are recognised under other comprehensive income. Gains and losses relating to such hedge transactions are transferred from other comprehensive income on realisation of the hedged item and recognised in the same line item as the hedged item.

Changes in the fair value of derivative financial instruments used to hedge net investments in independent foreign subsidiaries and which otherwise meet the criteria for hedge accounting are recognised under other comprehensive income in the consolidated financial statements (net investment hedge).

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

Share-based incentive programmes
Share-based incentive programmes in which employees can only chose to buy or subscribe for shares in the Parent Company (equity schemes) are measured at the equity instruments' fair value at the grant date and recognised in the income statement under staff costs over the period during which the employee's right to buy the shares vests. The balancing item is recognised directly in equity.

The fair value of equity instruments is determined by using the Black & Scholes model with the parameters stated in note 4 to the consolidated financial statements.

Discontinued operations and non-current assets held for sale
Discontinued operations are major business areas or geographical areas which have been sold or which are held for sale according to an overall plan.

The results of discontinued operations are presented as separate items in the income statement, consisting of the activity's operating profit/loss after tax and any gains or losses on fair value adjustment or sale of the related assets.

Non-current assets and groups of assets held for sale, including assets related to discontinued operations, are presented as separate items in the statement of financial position under current liabilities. Liabilities directly related to the assets and discontinued operations in question are presented under current liabilities in the statement of financial position.

Non-current assets held for sale are not depreciated or amortised, but are written down to fair value less expected costs to sell where this is lower than the carrying amount.

Income statement

Revenue

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

Revenue is measured at the fair value of the consideration received or receivable.

In addition to the sale of goods, revenue comprises license revenue.

Cost of sales

Cost of sales includes direct costs incurred in generating the revenue for the year. The Company recognises cost of sales as revenue is earned.

Staff costs

Staff costs include salaries, remuneration, retirement benefit schemes, share-based payments and other staff costs to the Group's employees, including the members of the Executive Board and Board of Directors. Agents' commissions to external sales agents are also included.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses comprise amortisation of intangible assets, depreciation of property, plant and equipment and impairment losses for the year.

Other external costs

Other external costs comprise other purchase and selling costs and administrative costs, bad debts, etc.

Lease costs relating to operating lease agreements are recognised by using the straight-line method in the income statement under other external costs.

Other operating income and costs

Other operating income and costs comprise items of a secondary nature relative to the principal activities, including gains and losses on sale of intangible assets and property, plant and equipment.

Financial income and costs

Financial income and costs include interest, realised and unrealised foreign currency translation adjustments, fair value adjustments of derivative financial instruments which do not qualify for hedge accounting and supplements, deductions and allowances relating to the payment of tax.

Interest income and costs are accrued based on the principal and the effective rate of interest. The effective rate of interest is the discount rate to be used in discounting expected future payments in relation to the financial asset or the financial liability so that their present value corresponds to the carrying amount of the asset or liability, respectively.

Tax on profit for the year

Tax for the year comprises of current tax for the year and adjustments in deferred tax. Tax for the year relating to the profit/loss for the year is recognised in the income statement and tax for the year relating to items recognised under other comprehensive income or directly in equity is recognised under other comprehensive income or directly in equity, respectively. Foreign currency translation adjustments of deferred tax are recognised as part of the adjustment of deferred tax for the year.

The current tax expense for the year is calculated based on the tax rates and rules applicable at the end of the reporting period.

The Parent Company is taxed jointly with all consolidated wholly owned Danish subsidiaries. The current tax expense is allocated among the companies of the Danish tax pool in proportion to their taxable income (full absorption with refunds for 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 bases. Deferred tax assets, including the tax base of deferrable tax losses, are recognised at the expected value of their utilisation as a setoff against future taxable income or as a setoff against deferred tax liabilities within the same legal entity and jurisdiction. If deferred tax is an asset, it is included in non-current assets based on an assessment of the potential for future realisation.

Deferred tax is calculated based on the planned use of each asset and settlement of each liability, respectively.

Deferred tax is measured using the tax rates and tax rules that, based on legislation in force or in reality in force at the end of the reporting period, are expected to apply in the respective countries when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changed tax rates or tax rules are recognised in the income statement unless the deferred tax is attributable to transactions which have been recognised previously under other comprehensive income or directly in equity.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, unless the parent is able to control when the deferred tax is to be realised and it is likely that the deferred tax will not crystallise as current tax in the foreseeable future.

Statement of financial position

Intangible assets

On initial recognition, goodwill is measured and recognised as described under the section Business combinations.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the date of acquisition. The determination of cash-generating units is based on the management structure and the internal financial management.

Goodwill is not amortised, however, it is tested for impairment at least once a year, as described below.

Payments to take over leases ("key money") are classified as leasehold rights. Leasehold rights are amortised over the lease period or the useful life if this is shorter. The basis of amortisation is reduced by any write-downs.

Leasehold rights with an indeterminable useful life are not amortised, but tested for impairment annually.

Software and IT development are amortised over the useful life of 3-7 years. Cost includes the acquisition price as well as costs arising directly in connection with the acquisition and until the point of time where the asset is ready for use. Amortisation is provided on a straight-line basis over the expected useful life.

Property, plant and equipment

Property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price and costs directly related to the acquisition until the time when the asset is ready for use.

The difference between cost and the expected scrap value is depreciated on a straight-line basis over the expected economic lives of the assets. The depreciation period is determined on the basis of Management's experience in the Group's business area, and Management believes the following estimates to be the best estimate of the economic lives of the assets:

Leasehold improvements	up to 10 years
Buildings	25-50 years
Equipment and furniture	3-5 years

If the depreciation period or the scrap values are changed, the effect on depreciation going forward is recognised as a change in accounting estimates.

Gains and losses on disposal of property, plant and equipment are computed as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement under other operating income and costs.

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount, please see below.

Impairment

The carrying amount of goodwill is tested at least once a year for impairment together with the other non-current assets of the cash-generating unit to which the goodwill has been allocated, and is written down to the recoverable amount through the income statement if this is lower than the carrying amount. The recoverable amount is generally calculated as the present value of the future cash flows expected to derive from the cash-generating unit to which the goodwill relates.

The carrying amount of non-current assets other than goodwill, intangible assets with indeterminable useful lives, deferred tax assets and financial assets is tested annually for indications of impairment. If such an indication exists, the recoverable amount of the asset is calculated. The recoverable amount is the higher of the fair value of the asset less costs to sell and the value in use.

An impairment loss is recognised when the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement under depreciation, amortisation and impairment losses.

Impairment losses on goodwill are not reversed. Write-downs of other assets are reversed to the extent changes have occurred to the assumptions and estimates leading to the write-down. Write-downs are only reversed to the extent the new carrying amount of an asset does not exceed the carrying amount the asset would have had net of depreciation, had the asset not been written down.

Financial assets
Securities are measured at their fair value at the end of the reporting period. Other financial assets are measured at cost or at fair value at the end of the reporting period if this is lower.

Inventories
Inventories 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.

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

Receivables
Receivables include trade receivables and other receivables. Receivables are part of the category loans and receivables which are financial assets with fixed or definable payments and which are not listed on an active market nor derivative financial instruments.

Receivables are, on initial recognition, measured at fair value and subsequently at amortised cost which usually corresponds to the nominal value less provision for bad debts.

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

Dividends
Proposed dividends are recognised as a liability at the time of adoption by the shareholders at the annual general meeting.

Treasury shares
The acquisition and sale of treasury shares and dividends thereon are taken directly to equity under retained earnings.

Retirement benefit obligations
The Group has entered into retirement benefit agreements and similar agreements with the majority of the Group's employees.

Obligations relating to defined contribution plans are recognised in the income statement in the period in which the employees render the related service, and contributions due are recognised in the statement of financial position under other liabilities.

For defined benefit plans, an annual actuarial assessment is made of the net present value of future benefits to be paid under the plan. The net present value is calculated based on assumptions of the future developments of, e.g., salary, interest, inflation and mortality rates. The net present value is only calculated for those benefits to which the employees have earned the right through their past service for the Group. The actuarial calculation of the net present value less the fair value of any assets related to the plan is included in the statement of financial position as retirement benefit obligations. See below, however.

Differences between the expected development of assets and liabilities in connection with retirement benefit schemes and the realised values are termed actuarial gains or losses. Subsequently, all actuarial gains or losses are recognised in the income statement.

If a retirement plan represents a net asset, the asset is only recognised to the extent that it offsets future contributions from the plan, or it will reduce future contributions to the plan.

Provisions
Provisions are recognised when, as a consequence of a past event during the financial year or previous years, the Group has a legal or constructive obligation, and it is likely that settlement of the obligation will require an outflow of the Company's financial resources.

Provisions are measured as the best estimate of the costs required to settle the liabilities at the end of the reporting period. Provisions with an expected term of more than a year after the end of the reporting period are measured at present value.

In connection with planned restructuring of the Group, provision is made only for liabilities relating to the restructuring that has been set out in a specific plan at the end of the reporting period and where those affected have been informed of the overall plan.

Mortgage loans
Mortgage loans are measured at fair value less any transaction costs at the date of raising the loan. Subsequently, mortgage loans are measured at amortised cost.

Other financial liabilities
Other financial liabilities, including bank loans and trade payables, are on initial recognition measured at fair value. In subsequent periods, financial liabilities are measured at amortised cost, applying the effective interest method, to the effect that the difference between the proceeds and the nominal value is recognised in the income statement as financial costs over the term of the loan.

Statement of cash flows
The statements of cash flows of the Group and the Parent Company show the cash flows from operating, investing and financing activities for the year, and the net cash flows for the year as well as cash and cash equivalents at the beginning and at the end of the financial year.

The statement of cash flows presents cash flow from operating activities indirectly based on the operating profit.

Cash flow from operating activities is calculated as operating profit adjusted for non-cash operating items, provisions, financials paid, change in working capital and tax.

The working capital comprises current assets, excluding cash items or items attributable to the investing activity, less current liabilities excluding bank loans, mortgage loans and tax payable.

Cash flow from investing activities includes payments regarding acquisition and sale of non-current assets and securities including investments in companies.

Cash flow from financing activities includes payments to and from shareholders as well as the raising and repayment of mortgage loans and other non-current liabilities not included in working capital.

Cash and cash equivalents comprise cash and net short-term bank loans that are an integral part of the Group's cash management.

Segment information
Segment information has been prepared in accordance with the Group's applied accounting policies and is consistent with the Group's internal management reporting.

Segment income and costs comprise income and costs that are directly attributable to the individual segment and the items that can be allocated to the individual segment on a reliable basis. Items not allocated are primarily income and costs in connection with the Group's administrative functions, investment activities, tax, etc.

Financial statements
Parent Company

Financial statements of the Parent Company

Income statement

Note	DKK million	2011/12	2010/11
3	**Revenue**	**1,564.3**	**1,597.8**
	Cost of sales	(1,360.0)	(1,261.4)
	Gross profit	**204.3**	**336.4**
6	Other external costs	(168.1)	(177.1)
4	Staff costs	(260.9)	(250.4)
5	Other operating income and costs	135.9	61.7
10	Depreciation, amortisation and impairment losses	(20.1)	(15.6)
	Operating profit	**(108.9)**	**(45.0)**
11	Income from investments in subsidiaries	217.5	307.5
7	Financial income	135.9	90.4
7	Financial costs	(48.2)	(34.8)
	Profit before tax	**196.3**	**318.1**
8	Tax on profit for the year	(3.5)	13.5
	Profit for the year	**192.8**	**331.6**
	Profit allocation:		
9	Proposed dividend	24.6	73.8
	Retained earnings	168.2	257.8
	Profit for the year	**192.8**	**331.6**

Statement of comprehensive income

Note	DKK million	2011/12	2010/11
	Profit for the year	**192.8**	**331.6**
	OTHER COMPREHENSIVE INCOME		
25	Fair value adjustments, gains on derivatives held as cash flow hedges	56.4	2.0
25	Fair value adjustments, loss on derivatives held as cash flow hedges	(37.9)	(68.2)
25	Transfer to income statement of gains on realised cash flow hedges	(2.0)	(57.7)
25	Transfer to income statement of loss on realised cash flow hedges	68.2	57.3
8	Tax on other comprehensive income	(21.1)	16.5
	Total other comprehensive income	**63.6**	**(50.1)**
	Total comprehensive income	**256.4**	**281.5**

Statement of financial position

ASSETS

Note	DKK million	30 June 2012	30 June 2011
	NON-CURRENT ASSETS		
	Software and IT systems	46.2	26.7
	Trademark rights	-	0.1
	IT systems under development	9.5	13.8
10	**Total intangible assets**	**55.7**	**40.6**
	Leasehold improvements	2.4	3.8
	Equipment and furniture	18.9	13.3
	Property, plant and equipment under construction	1.7	4.3
10	**Total property, plant and equipment**	**23.0**	**21.4**
11	Investments in subsidiaries	546.7	546.7
12	Financial assets	949.6	37.3
13	Deferred tax assets	15.5	48.3
	Total other non-current assets	**1,511.8**	**632.3**
	Total non-current assets	**1,590.5**	**694.3**
	CURRENT ASSETS		
14	Inventories	352.4	389.3
15	Trade receivables	33.3	23.0
	Receivables from subsidiaries	380.7	1,240.3
8	Tax receivable	8.7	18.6
16	Other receivables	77.5	10.1
17	Prepayments	12.0	13.0
24	Cash	34.3	5.6
	Total current assets	**898.9**	**1,699.9**
	TOTAL ASSETS	**2,489.4**	**2,394.2**

EQUITY AND LIABILITIES

Note	DKK million	30 June 2012	30 June 2011
	EQUITY		
18	Share capital	169.4	169.4
	Reserve for hedging transactions	15.9	(47.7)
	Retained earnings	1,124.1	996.8
	Total equity	**1,309.4**	**1,118.5**
	LIABILITIES		
20	Other liabilities	34.6	44.0
	Total non-current liabilities	**34.6**	**44.0**
19,24	Liabilities to credit institutions	102.4	143.5
	Trade payables	34.2	35.4
	Payables to subsidiaries	880.1	871.3
20	Other liabilities	128.7	181.5
	Total current liabilities	**1,145.4**	**1,231.7**
	Total liabilities	**1,180.0**	**1,275.7**
	TOTAL EQUITY AND LIABILITIES	**2,489.4**	**2,394.2**

Statement of changes in equity

DKK million	Share capital	Reserve for hedging transactions	Retained earnings	Total equity
Equity at 1 July 2010	**169.4**	**2.4**	**737.2**	**909.0**
Comprehensive income 2010/11				
Profit for the year	-	-	331.6	331.6
Other comprehensive income				
Fair value adjustments, gains on derivatives held as cash flow hedges	-	2.0	-	2.0
Fair value adjustments, loss on derivatives held as cash flow hedges	-	(68.2)	-	(68.2)
Transfer to income statement of gains on realised cash flow hedges	-	(57.7)	-	(57.7)
Transfer to income statement of loss on realised cash flow hedges	-	57.3	-	57.3
Tax on other comprehensive income	-	16.5	-	16.5
Total other comprehensive income	**-**	**(50.1)**	**-**	**(50.1)**
Share buy-back programmes	-	-	(13.0)	(13.0)
Dividends paid	-	-	(69.7)	(69.7)
Share-based payments	-	-	7.7	7.7
Share options exercised	-	-	3.0	3.0
Equity at 30 June 2011	**169.4**	**(47.7)**	**996.8**	**1,118.5**
Comprehensive income 2011/12				
Profit for the year	-	-	192.8	192.8
Other comprehensive income				
Fair value adjustments, gains on derivatives held as cash flow hedges	-	56.4	-	56.4
Fair value adjustments, loss on derivatives held as cash flow hedges	-	(37.9)	-	(37.9)
Transfer to income statement of gains on realised cash flow hedges	-	(2.0)	-	(2.0)
Transfer to income statement of loss on realised cash flow hedges	-	68.2	-	68.2
Tax on other comprehensive income	-	(21.1)	-	(21.1)
Total other comprehensive income	**-**	**63.6**	**-**	**63.6**
Dividends paid	-	-	(73.8)	(73.8)
Share-based payments	-	-	7.7	7.7
Other adjustments	-	-	0.6	0.6
Equity at 30 June 2012	**169.4**	**15.9**	**1,124.1**	**1,309.4**

Statement of cash flows

Note	DKK million	2011/12	2010/11
	CASH FLOW FROM OPERATING ACTIVITIES		
	Operating profit	(108.9)	(45.0)
	Reversed depreciation and impairment losses and gain/loss on sale of non-current assets	20.4	15.4
	Share-based payments recognised in income statement	4.6	5.8
	Other adjustments	(37.5)	(12.2)
23	Change in working capital	(13.1)	(218.2)
	Cash flow from ordinary operating activities	**(134.5)**	**(254.2)**
	Financial income received	110.1	90.4
	Financial costs paid	(25.3)	(34.8)
	Cash flow from operating activities	**(49.7)**	**(198.6)**
8	Tax recovered	18.0	18.2
	Total cash flow from operating activities	**(31.7)**	**(180.4)**
	CASH FLOW FROM INVESTING ACTIVITIES		
10	Investments in intangible assets	(28.5)	(17.2)
10	Investments in property, plant and equipment	(10.0)	(12.3)
	Sale of other non-current assets	2.0	2.0
	Change in deposits and other financial assets	(0.1)	8.2
	Dividend received, proceeds in connection with liquidation, etc.	221.3	319.2
	Total cash flow from investing activities	**184.7**	**299.9**
	Total cash flow from operating and investing activities	**153.0**	**119.5**
	CASH FLOW FROM FINANCING ACTIVITIES		
	Share buy-back programmes	-	(13.0)
9	Dividends paid	(73.8)	(69.7)
	Other transactions with shareholders	(9.4)	(56.8)
	Total cash flow from financing activities	**(83.2)**	**(139.5)**
	NET CASH FLOW FOR THE YEAR	**69.8**	**(20.0)**
	CASH AND CASH EQUIVALENTS		
	Cash and cash equivalents at 1 July	(137.9)	(117.9)
	Net cash flow for the year	69.8	(20.0)
24	**Cash and cash equivalents at 30 June**	**(68.1)**	**(137.9)**

The statement of cash flows may not be concluded based solely on the announced financial statements.

Notes to financial statements
Parent Company

Notes to the financial statements of the Parent Company

1. Basis for preparation of financial statements of Parent

The financial statements of the Parent Company IC Companys A/S for the financial year 2011/12 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by EU and additional Danish disclosure requirements for the annual reports of listed companies (accounting class D), cf. the Statutory Order on the adoption of IFRS under the Danish Financial Statements Act.

The financial statements of the Parent Company are also prepared in accordance with the IFRS standards as issued by the International Accounting Standards Board (IASB).

The financial statements of the Parent Company are expressed in Danish Kroner (DKK) which is its functional currency.

The accounting policies for the Parent Company are consistent with those used in the previous financial year.

Please see note 29 for further information on significant accounting policies.

2. Accounting estimates and assumptions

Please see note 2 to the consolidated financial statements.

3. Revenue

DKK million	2011/12	2010/11
Sale of goods to subsidiaries	1,405.1	1,466.1
Sale of goods to non-Group related parties	159.2	131.7
Total revenue	**1,564.3**	**1,597.8**

4. Staff costs

DKK million	2011/12	2010/11
Total salaries, remuneration, etc., can be specified as follows:		
Remuneration to the Board of Directors	2.3	2.0
Remuneration to the Audit Committee	0.4	0.2
Remuneration to the Remuneration Committee	0.2	-
Salaries and remuneration	231.0	227.7
Defined contribution plans	15.2	10.5
Other social security costs	1.6	1.3
Share-based payments	4.6	5.8
Other staff costs	5.6	2.9
Total staff costs	**260.9**	**250.4**
Average number of employees of the Parent Company	**394**	**374**

Remuneration to the Board of Directors, Executive Board and share-based programmes for the Management and employees are disclosed in note 4 to the consolidated financial statements.

5. Other operating income and costs

DKK million	2011/12	2010/11
Services provided to subsidiaries	136.3	61.9
Loss on sale of non-current assets	(0.4)	(0.2)
Total other operating income and costs	**135.9**	**61.7**

6. Other external costs

Other external costs include the total fees paid for the financial year under review to the auditors appointed at the annual general meeting.

DKK million	2011/12	2010/11
Statutory audit	1.0	0.9
Tax consultancy	0.7	0.4
Other services	-	0.3
Total other external costs	**1.7**	**1.6**

7. Financial income and costs

DKK million	2011/12	2010/11
Financial income:		
Interest on receivables from subsidiaries	83.2	87.5
Interest on bank deposits	2.5	-
Other financial income	1.1	1.9
Interest income from financial assets not measured at fair value through the income statement	**86.8**	**89.4**
Realised gain on derivative financial instruments	22.8	0.9
Net gain on foreign currency translation	26.3	0.1
Total financial income	**135.9**	**90.4**
Financial costs:		
Interest on liabilities to credit institutions	(11.2)	(9.8)
Interest on debt to subsidiaries	(23.4)	(17.0)
Interest costs from financial liabilities not measured at fair value through the income statement	**(34.6)**	**(26.8)**
Realised loss on derivative financial instruments	(13.6)	(4.5)
Other financial costs	-	(3.5)
Total financial costs	**(48.2)**	**(34.8)**
Net financials	**87.7**	**55.6**

8. Tax for the year

DKK million	2011/12	2010/11
Current tax		
Current tax for the year under review	(8.1)	(18.3)
Total current tax	(8.1)	(18.3)
Deferred tax		
Change in deferred tax	27.6	(12.5)
Prior-year adjustments, deferred tax	5.1	0.8
Total deferred tax	32.7	(11.7)
Tax for the year	**24.6**	**(30.0)**
Recognised as follows:		
Tax on profit for the year	3.5	(13.5)
Tax on other comprehensive income	21.1	(16.5)
Tax for the year	**24.6**	**(30.0)**
Net tax receivable at 1 July	**18.6**	**18.6**
Tax payable on profit for the year	8.1	18.3
Addition in connection with liquidation/merger	-	(0.1)
Tax paid during the year	(18.0)	(18.2)
Net tax receivable at 30 June	**8.7**	**18.6**
Recognised as follows:		
Tax receivable	8.7	18.6
Net tax receivable at 30 June	**8.7**	**18.6**

Breakdown of tax for the year is as follows:

DKK million	2011/12	2010/11
Calculated tax on profit before tax, 25%	49.1	79.5
Effect of other non-taxable income and non-deductable costs	(50.8)	(74.9)
Prior-years adjustments	5.2	0.8
Other adjustments including revaluation of tax losses, etc.	-	(18.9)
Total tax for the year	**3.5**	**(13.5)**
Effective tax rate for the year (%)	**1.8**	**(4)**
Tax on other comprehensive income		
Fair value adjustment on derivatives held as cash flow hedges	21.1	16.5
Total tax on other comprehensive income	**21.1**	**16.5**

9. Dividends

IC Companys A/S distributed to its shareholders DKK 73.8 million in dividends during the financial year 2011/12 (DKK 69.7 million).

The Board of Directors has resolved to recommend a dividend of DKK 1.50 per ordinary share corresponding to a total dividend of DKK 24.6 million in respect of the financial year 2011/12 (DKK 4.50 per ordinary share).

10. Intangible assets and property, plant and equipment

Intangible assets

DKK million	Software and IT systems	Trade-mark rights	Intangible assets under con-struction	Total intangible assets
Cost at 1 July 2010	**184.3**	**8.1**	**13.6**	**206.0**
Additions	7.6	-	9.6	17.2
Reclassification of assets under construction	9.4	-	(9.4)	-
Disposals	(0.4)	-	-	(0.4)
Cost at 30 June 2011	**200.9**	**8.1**	**13.8**	**222.8**
Additions	26.7	-	1.8	28.5
Reclassification of assets under construction	6.1	-	(6.1)	-
Disposals	-	-	-	-
Cost at 30 June 2012	**233.7**	**8.1**	**9.5**	**251.3**
Accumulated amortisation and impairment at 1 July 2010	**(163.2)**	**(8.0)**	**-**	**(171.2)**
Amortisation and impairment on disposals	0.2	-	-	0.2
Amortisation and impairment for the year	(11.2)	-	-	(11.2)
Accumulated amortisation and impairment at 30 June 2011	**(174.2)**	**(8.0)**	**-**	**(182.2)**
Amortisation and impairment on disposals	-	-	-	-
Amortisation and impairment for the year	(13.3)	(0.1)	-	(13.4)
Accumulated amortisation and impairment at 30 June 2012	**(187.5)**	**(8.1)**	**-**	**(195.6)**
Carrying amount at 30 June 2012	**46.2**	**-**	**9.5**	**55.7**
Carrying amount at 30 June 2011	**26.7**	**0.1**	**13.8**	**40.6**

Property, plant and equipment

DKK million	Leasehold improve-ments	Equip-ment & furniture	Assets-under con-struction	Total property plant & equipment
Cost at 1 July 2010	**10.4**	**64.0**	**1.7**	**76.1**
Additions	-	9.7	2.6	12.3
Reclassification of assets under construction	-	-	-	-
Disposals	(0.4)	(15.5)	-	(15.9)
Cost at 30 June 2011	**10.0**	**58.2**	**4.3**	**72.5**
Additions	-	8.3	1.7	10.0
Reclassification of assets under construction	-	4.3	(4.3)	-
Disposals	-	(5.9)	-	(5.9)
Cost at 30 June 2012	**10.0**	**64.9**	**1.7**	**76.6**
Accumulated depreciation and impairment at 1 July 2010	**(5.2)**	**(53.8)**	**-**	**(59.0)**
Depreciation and impairment on disposals	0.4	11.9	-	12.3
Depreciation and impairment for the year	(1.4)	(3.0)	-	(4.4)
Accumulated depreciation and impairment at 30 June 2011	**(6.2)**	**(44.9)**	**-**	**(51.1)**
Depreciation and impairment on disposals	-	4.2	-	4.2
Depreciation and impairment for the year	(1.4)	(5.3)	-	(6.7)
Accumulated depreciation and impairment at 30 June 2012	**(7.6)**	**(46.0)**	**-**	**(53.6)**
Carrying amount at 30 June 2012	**2.4**	**18.9**	**1.7**	**23.0**
Carrying amount at 30 June 2011	**3.8**	**13.3**	**4.3**	**21.4**

11. Investments in subsidiaries

DKK million	30 June 2012	30 June 2011
Cost at 1 July	**905.9**	**790.4**
Addition due to acquisition of non-controlling interest/capital increase	-	115.5
Cost at 30 June	**905.9**	**905.9**
Write-downs at 1 July	**(359.2)**	**(359.2)**
Write-downs for the year	-	-
Write-downs at 30 June	**(359.2)**	**(359.2)**
Total carrying amount	**546.7**	**546.7**

An overview of the Group structure may be found at the back of this Annual Report.

Income from investments in subsidiaries amounts to net DKK 217.5 million (income of DKK 307.5 million) and comprises dividends from subsidiaries deducted write-downs of investments and receivables for the year.

An amount of DKK 3.8 million for 2011/12 was written down in relation to short-term receivables from subsidiaries (write-down of DKK 105.5 million).

12. Financial assets

DKK million	Long-term receivables from subsidiaries	Long-term loans to business partners	Deposits, etc.	Total financial assets
Cost at 1 July 2010	**899.4**	**4.9**	**3.8**	**908.1**
Additions	-	-	0.9	0.9
Disposals	(4.0)	(4.5)	(1.2)	(9.7)
Transferred to short-term part of receivables from subsidiaries	(862.4)	-	-	(862.4)
Cost at 30 June 2011	**33.0**	**0.4**	**3.5**	**36.9**
Additions	875.3	-	0.1	875.4
Disposals	-	(0.2)	-	(0.2)
Cost at 30 June 2012	**908.3**	**0.2**	**3.6**	**912.1**
Value adjustments at 1 July 2010	**(18.1)**	**-**	**-**	**(18.1)**
Foreign currency translation adjustments for the year, etc.	18.5	-	-	18.5
Value adjustments 30 June 2011	**0.4**	**-**	**-**	**0.4**
Foreign currency translation adjustments for the year, etc.	37.1	-	-	37.1
Value adjustments at 30 June 2012	**37.5**	**-**	**-**	**37.5**
Carrying amount at 30 June 2012	**945.8**	**0.2**	**3.6**	**949.6**
Carrying amount at 30 June 2011	**33.4**	**0.4**	**3.5**	**37.3**

As at 30 June 2011 the Parent Company had granted subordinated loans of DKK 4.5 million to business partners. An amount of DKK 0.4 million of the loans was classified as long-term loans to business partners.

The Parent Company has received payments of DKK 0.2 million for 2011/12 relating to long-term loans.

As at 30 June 2012 an amount of DKK 0.2 million was classified as long-term loans to business partners. The short-term part of the loans amounting to DKK 0.2 million has been recognised under other receivables.

The Parent Company has not granted any loans for 2011/12.

All loans are interest-bearing.

No security has been received for the loans. The carrying amount of the financial assets corresponds to the fair value.

13. Deferred tax

DKK million	30 June 2012	30 June 2011
Deferred tax at 1 July	**48.3**	**36.6**
Prior-year adjustments	(5.2)	(0.8)
Deferred tax on other comprehensive income	(21.1)	16.5
Change in deferred tax on profit for the year	(6.5)	(4.0)
Total net deferred tax at 30 June	**15.5**	**48.3**
Recognised as follows:		
Deferred tax	15.5	48.3
Total net deferred tax at 30 June	**15.5**	**48.3**
Breakdown of deferred tax at 30 June as follows:		
Gross deferred tax	21.5	54.3
Unrecognised tax assets	(6.0)	(6.0)
Total net deferred tax at 30 June	**15.5**	**48.3**

Unrecognised tax assets relate to tax losses that are assessed not to be sufficiently likely to be utilised in the foreseeable future. The unrecognised tax losses are not limited in time.

Changes to temporary differences during the year are as follows:

DKK million	Net deferred tax assets at 1 July 2011	Recognised in profit for the year	Recognised in other compr. income	Net deferred tax assets at 30 June 2012
Intangible assets	6.6	-	-	6.6
Property, plant and equipment	8.5	5.6	-	14.1
Receivables	-	-	-	-
Provisions	0.4	(0.1)	-	0.3
Other liabilities	(0.2)	0.2	-	-
Financial instruments	16.5	(7.3)	(21.1)	(11.9)
Tax losses	22.5	(10.1)	-	12.4
Unrecognised tax assets	(6.0)	-	-	(6.0)
Total	**48.3**	**(11.7)**	**(21.1)**	**15.5**

DKK million	Net deferred tax assets at 1 July 2010	Recognised in profit for the year	Recognised in other compr. income	Net deferred tax assets at 30 June 2011
Intangible assets	8.0	(1.4)	-	6.6
Property, plant and equipment	13.5	(5.0)	-	8.5
Receivables	1.0	(1.0)	-	-
Provisions	11.9	(11.5)	-	0.4
Other liabilities	(7.9)	7.7	-	(0.2)
Financial instruments	-	-	16.5	16.5
Tax losses	35.1	(12.6)	-	22.5
Unrecognised tax assets	(25.0)	19.0	-	(6.0)
Total	**36.6**	**(4.8)**	**16.5**	**48.3**

14. Inventories

DKK million	30 June 2012	30 June 2011
Finished goods and goods for resale	191.1	224.3
Goods in transit	161.3	165.0
Total inventories	**352.4**	**389.3**

Changes in inventory write-downs are as follows:

DKK million	30 June 2012	30 June 2011
Inventory write-downs at 1 July	**35.6**	**42.1**
Write-down for the year, additions	17.1	27.2
Write-down for the year, reversals	(25.4)	(33.7)
Total inventory write-downs	**27.3**	**35.6**

Inventories recognised at net realisable value amount to DKK 34.8 million at 30 June 2012 (DKK 51.3 million).

15. Trade receivables

Breakdown of gross trade receivables is as follows:

DKK million	30 June 2012	30 June 2011
Not yet due	22.0	16.3
Due, 1-60 days	10.3	6.3
Due, 61-120 days	1.0	-
Due more than 120 days	0.9	3.3
Total gross trade receivables	**34.2**	**25.9**

The carrying amounts of trade receivables in all material respect correspond to their fair values.

In general, trade receivables do not carry interest until between 30 and 60 days after the invoice date. After this date, interest is charged on the outstanding amount.

Change in write-downs regarding trade receivables are as follows:

DKK million	30 June 2012	30 June 2011
Write-downs 1 July	**2.9**	**4.1**
Foreign currency translation adjustments	-	(0.3)
Change in write-downs for the year	(1.3)	(0.5)
Realised loss for the year	(0.7)	(0.4)
Total write-downs	**0.9**	**2.9**

Please see note 15 to the consolidated financial statement.

16. Other receivables

DKK million	30 June 2012	30 June 2011
VAT receivable, etc.	0.1	0.3
Unrealised gain on financial instruments	76.2	2.0
Sundry receivables	1.2	7.8
Total other receivables	**77.5**	**10.1**

All other receivables are due for payment within 1 year.

Management assesses that the carrying amount of receivables at 30 June 2012 in all material respect corresponds to the fair value, and that the receivables are not subject to any particular credit risk.

17. Prepayments

DKK million	30 June 2012	30 June 2011
Collection samples	5.0	5.3
Advertising	1.2	0.2
Others	5.8	7.5
Total prepayments	**12.0**	**13.0**

18. Share capital

Information on the share capital distribution on number of shares, etc., is disclosed in note 18 to the consolidated financial statements.

19. Current liabilities to credit institutions

The Parent Company's total current liabilities to credit institutions comprise Danish and foreign overdraft facilities carrying interest at an average floating rate of 3.22% p.a. (2.99% p.a.).

Current liabilities are repayable on demand, and the fair value therefore corresponds to the carrying amount. Current liabilities to credit institutions are denominated in the below currencies as follows:

Stated in %	30 June 2012	30 June 2011
SEK	45	24
PLN	19	12
EUR	17	8
DKK	6	22
CAD	6	3
CHF	2	6
GBP	1	2
USD	-	13
CZK	-	1
HKD	-	1
Other currencies	4	8
Total	**100**	**100**

20. Other liabilities

DKK million	30 June 2012	30 June 2011
VAT, customs and tax deducted from income at source	32.6	40.1
Salaries, social security costs and holiday allowance payable	31.8	36.7
Unrealised loss on financial instruments	37.9	78.9
Severance payments	1.1	1.5
Other costs payable	59.9	68.3
Total other liabilities	**163.3**	**225.5**

In other costs payable an amount of DKK 34.6 million (DKK 44.0 million) has been recognised which is due after 12 months.

The carrying amount of amounts payable under other liabilities in all material respect corresponds to the fair value of the liabilities.

21. Operating leases

DKK million	30 June 2012	30 June 2011
Commitments under non-terminable operating leases are:		
Store leases and other land and buildings		
0-1 year	24.6	24.9
1-5 years	35.7	54.4
More than 5 years	-	-
Total	**60.3**	**79.3**
Lease of equipment and furniture, etc.		
0-1 year	3.4	3.0
1-5 years	3.6	4.9
More than 5 years	-	-
Total	**7.0**	**7.9**

The Parent company leases properties under operating leases. The lease period is typically between 3-10 years with an option to extend upon expiry.

In addition, the Parent Company leases cars and other operating equipment under operating leases. The lease period is typically between 3-5 years with an option to extend upon expiry.

An amount of DKK 26.2 million (DKK 24.0 million) relating to operating leases has been recognised in the income statement of the Parent Company for 2011/12.

22. Other liabilities and contingent liabilities

DKK million	30 June 2012	30 June 2011
Guarantees and other collateral security in connection with subsidiaries	599.8	604.4
Other guarantees and collateral security	42.0	25.5

The Parent Company has issued letters of comfort for certain subsidiaries.

23. Change in working capital

DKK million	30 June 2012	30 June 2011
Change in inventories	36.9	(96.8)
Change in receivables	(45.9)	(118.8)
Change in current liabilities excluding tax	(4.1)	(2.6)
Total change in working capital	**(13.1)**	**(218.2)**

24. Cash and cash equivalents

DKK million	30 June 2012	30 June 2011
Cash	34.3	5.6
Credit institutions, current liabilities	(102.4)	(143.5)
Total cash and cash equivalents	**(68.1)**	**(137.9)**

25. Financial risks and derivative financial instruments

Please see note 28 to the consolidated financial statements.

26. Related party transactions

Please see note 29 to the consolidated financial statements.

27. Events after the reporting period

Please see note 30 to the consolidated financial statements.

28. Approval of the announcement of the Annual Report

Please see note 31 to the consolidated financial statements.

29. Significant accounting policies

The accounting policies for the Parent Company are the same as for the Group with the exception of the items below, please see note 32 to the consolidated financial statements.

Other operating income and costs
Other operating income and costs comprise management fees from subsidiaries to the Parent Company for their share of the Group's overheads.

Dividends from investments in subsidiaries in the financial statements of the Parent Company
Dividends from investments in subsidiaries are recognised in the income statement for the financial year in which the dividend are declared.

Investments in subsidiaries in the financial statements of the Parent Company
Investments in subsidiaries are measured at cost. Where the recoverable amount is lower than cost, the investments are written down to such lower value.

Receivables from subsidiaries in the financial statements of the Parent Company
On initial recognition, receivables from subsidiaries in the financial statements of the Parent Company are measured at fair value and subsequently at amortised cost which usually corresponds to the nominal value less write-downs for bad debts.

Group structure at 30 June 2012

Company	Country	Currency	Share capital 1,000 units
Wholly-owned subsidiaries			
IC Companys Danmark A/S	Denmark	DKK	18,000
Retailselskabet af 14. april 1999 A/S	Denmark	DKK	1,000
Saint Tropez af 1993 A/S	Denmark	DKK	500
By Malene Birger A/S	Denmark	DKK	500
Raffinaderivej 10 A/S	Denmark	DKK	500
IC Companys Norway AS	Norway	NOK	9,450
ICe Companys Sweden AB	Sweden	SEK	10,000
Tiger of Sweden AB	Sweden	SEK	501
ICe Companys Sweden Holding AB	Sweden	SEK	50,000
Vingåker Factory Outlet AB	Sweden	SEK	200
Carli Gry International Sweden AB	Sweden	SEK	100,000
Peak Performance AB	Sweden	SEK	2,645
Peak Performance Production AB	Sweden	SEK	400
S T Sweden AB	Sweden	SEK	100
By Malene Birger AB	Sweden	SEK	100
IC Companys Finland Oy	Finland	EUR	384
IC Companys Holding & Distributie B.V.	Netherlands	EUR	2,269
IC Companys Nederland B.V.	Netherlands	EUR	16
IC Companys B.V.	Netherlands	EUR	23
IC Companys Belgium N.V.	Belgium	EUR	3,305
IC Companys (UK) Ltd.	UK	GBP	4,350
IC Companys Germany G.m.b.H.	Germany	EUR	26
IC Companys Verwaltungs 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	1,400
IC Companys France SARL	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	1,317
Peak Performance Italy SRL	Italy	EUR	10
51% owned subsidiary			
Designers Remix A/S	Denmark	DKK	500

Definition of key ratios

Gross margin (%)	=	$\frac{\text{Gross profit}}{\text{Revenue}}$
EBITDA margin (%)	=	$\frac{\text{Operating profit before depreciation and amortisation}}{\text{Revenue}}$
EBIT margin (%)	=	$\frac{\text{Operating profit}}{\text{Revenue}}$
Return on equity (%)	=	$\frac{\text{Profit for the year}}{\text{Average equity}}$
Equity ratio (%)	=	$\frac{\text{Equity at year-end}}{\text{Total assets at year-end}}$
Average invested capital	=	Net average working capital plus intangible assets and property, plant and equipment less provisions. Goodwill included represents total purchased goodwill after write-down for impairment.
Return on invested capital (%)	=	$\frac{\text{Operating profit before goodwill write-down and special items}}{\text{Average capital employed including goodwill}}$
Net interest-bearing debt	=	Short-term and long-term liabilities to credit institutions and lease debt less cash and cash equivalents.
Financial gearing (%)	=	$\frac{\text{Net interest-bearing debt}}{\text{Equity at year-end}}$
Earnings per share	=	$\frac{\text{Profit attributable to shareholders of the Parent Company}}{\text{Average number of shares excluding treasury shares}}$
Diluted earnings per share	=	$\frac{\text{Profit attributable to shareholders of the Parent Company}}{\text{Average number of shares excluding treasury shares, diluted}}$
Diluted cash flow per share	=	$\frac{\text{Cash flow from operating activities}}{\text{Average number of shares excluding treasury shares, diluted}}$
Diluted net asset value per share	=	$\frac{\text{Equity at year-end excluding non-controlling interests}}{\text{Number of shares at year-end excluding treasury shares, diluted}}$
Diluted price / earnings	=	$\frac{\text{Market price per share at year-end}}{\text{Diluted earnings per share}}$
Distribution channel profit/(loss)	=	Revenue of the distribution channel less cost of sales as well as selling and distribution costs and administrative costs attributable to the distribution channel.
Same-store definition	=	A store measured on same-store data has an unchanged location, sales area and name on shop for a full financial year of comparable sales data.
Inventory turnover	=	$\frac{\text{Cost of sales}}{\text{Inventories at year-end}}$
Days sales outstanding (DSO)	=	$\frac{\text{Trade receivables at year-end}}{\text{Wholesale revenue for H2 x 182}}$

Statements

Statement by the Management

The Board of Directors and the Executive Board have today considered and approved the annual report of IC Companys A/S for the financial year 1 July 2011 - 30 June 2012.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30 June 2012 as well as of their financial performance and their cash flow for the financial year 1 July 2011 - 30 June 2012 .

We believe that the management commentary contains a fair review of the development and performance of the Group's and the Parent's business and of their position as well as the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face .

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 7 August 2012

Executive Board:

NIELS MIKKELSEN Chief Executive Officer	CHRIS BIGLER Chief Financial Officer	ANDERS CLEEMANN Executive Vice President	PETER FABRIN Executive Vice President

Board of Directors:

NIELS ERIK MARTINSEN Chairman	HENRIK HEIDEBY Deputy Chairman	OLE WENGEL Deputy Chairman
ANDERS COLDING FRIIS	PER BANK	ANNETTE BRØNDHOLT SØRENSEN

The Independent auditor's report

To the shareholders of IC Companys A/S

Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of IC Companys A/S for the financial year 1 July 2011 – 30 June 2012, which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement and notes, including the accounting policies, for the Group as well as for the Parent. The consolidated financial statements and parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control as Management determines is necessary to enable the preparation and fair presentation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30 June 2012, and of the results of their operations and cash flows for the financial year 1 July 2011 – 30 June 2012 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statements

Copenhagen, 7 August 2012

Deloitte
Statsautoriseret Revisionspartnerselskab

Kirsten Aaskov Mikkelsen	Lars Siggaard Hansen
State Authorised Public Accountant	State Authorised Public Accountant

Financial highlights and key ratios

Quarterly for 2011/12 (unaudited)

DKK million	Q1	Q2	Q3	Q4
INCOME STATEMENT				
Revenue	1,175.0	929.5	1,034.9	679.7
Gross profit	669.7	519.9	567.9	396.8
Operating profit before depreciation and amortisation (EBITDA)	173.9	41.0	80.7	(36.5)
Operating profit before depreciation and amortisation, adjusted for non-recurring costs	173.9	64.0	75.7	(36.5)
Operating profit (EBIT)	146.5	(0.6)	55.7	(71.2)
Net financials	(1.4)	(3.6)	0.8	3.5
Profit before tax	145.1	(4.2)	56.5	(67.7)
Profit for the quarter	108.5	(5.0)	42.3	(56.4)
Comprehensive income	183.4	15.0	0.6	(41.6)
STATEMENT OF FINANCIAL POSITION				
Total non-current assets	716.2	725.7	811.5	722.9
Total current assets	1,488.0	1,372.3	1,318.2	1,284.6
Total assets	2,204.2	2,098.0	2,129.7	2,007.5
Share capital	169.4	169.4	169.4	169.4
Total equity	854.7	868.2	870.8	830.6
Total non-current liabilities	242.4	241.5	242.0	246.8
Total current liabilities	1,107.1	988.3	1,016.9	930.1
STATEMENT OF CASH FLOWS				
Cash flow from operating activities	(179.0)	292.2	3.2	142.0
Cash flow from investing activities	(14.4)	(27.1)	(36.9)	(29.8)
Cash flow from investments in property, plant and equipment	(10.4)	(21.4)	(26.3)	(13.5)
Total cash flow from operating and investing activities	(193.4)	265.1	(33.7)	112.2
Cash flow from financing activities	(73.8)	(13.5)	-	0.6
Net cash flow for the quarter	(267.1)	251.6	(33.7)	112.7
KEY RATIOS				
Gross margin (%)	57.0	55.9	54.9	58.4
EBITDA margin (%)	14.8	4.4	7.8	(5.4)
EBITDA margin (%), adjusted for non-recurring costs	14.8	6.9	7.3	(5.4)
EBIT margin (%)	12.5	(0.1)	5.4	(10.5)
Return on equity (%)	13.6	(0.6)	5.2	(1.5)
Equity ratio (%)	38.8	41.4	40.9	42.1
Average invested capital including goodwill	1,363.0	1,332.0	1,349.8	1,360.0
Return on invested capital (%)	10.7	-	4.1	(5.2)
Net interest-bearing debt, end of quarter	577.9	326.6	360.7	248.1
Financial gearing (%)	67.6	37.6	41.4	27.9
SHARE BASED RATIOS*				
Average number of shares excluding treasury shares, diluted (thousand)	16,392.8	16,402.1	16,414.9	16,406.3
Share price, end of period, DKK	136.0	102.5	117.0	97.5
Earnings per share, DKK	6.6	(0.4)	2.6	7.3
Diluted earnings per share, DKK	6.5	(0.4)	2.6	7.3
Diluted cash flow per share, DKK	10.9	17.8	0.2	15.8
Diluted net asset value per share, DKK	51.8	42.0	44.7	54.1
Diluted price/ earnings, DKK	20.9	(258.8)	45.0	13.4
EMPLOYEES				
Number of employees (full-time equivalent at the end of the year)	2,416	2,346	2,281	2,217

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

The key ratios and share data have been calculated according to the recommendations in "Recommendations and Ratios 2010" issued by the Danish Society of Financial Analysts. Please see definition of key ratios on page 106.

Other executives

Name	*Position*
Frederik Aakerlund	Vice President, IT
Lars Andresen	CEO, By Malene Birger
Henrik Bunge	CEO, Peak Performance
Michael Stockfleth Coester	Brand Director, Part Two
Per Ellison	Brand Director, Soaked in Luxury
Niels Eskildsen	CEO, Designers Remix
Claus Gravesen	Brand Director, Companys
Hans-Peter Henriksen	CEO, Saint Tropez
Inge Kindberg	Brand Director, Cottonfield
Tine Knarreborg	Vice President, Finance
Christian Heireth Levorsen	Vice President, Logistics
Alexander Martensen-Larsen	Vice President, Business Development
Kristian Nielsen	Vice President, Sourcing
David Thunmarker	CEO, Tiger of Sweden
Lars Toft	Brand Director, InWear & Matinique
Charlotte Witmeur	Acting Brand Director, Jackpot

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab

IC Companys corporate information

Share capital	169,428,070
Number of shares	16,942,807
Share classes	One class
ISIN code	DK0010221803
Registration number	62816414
Reuter ticker	IC.CO
Bloomberg ticker	IC DC

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InWear Matinique Part Two Jackpot COTTONFIELD REG. TRADEMARK DESIGNERS REMIX CHARLOTTE ESKILDSEN SAINT TROPEZ TIGER OF SWEDEN BY MALENE BIRGER Copenhagen PeakPerformance SOAKED IN LUXURY