

INTERIM REPORT FOR THE PERIOD 1 JULY 2017 TO 31 MARCH 2018

Consolidated revenue for Q1-Q3 2017/18 amounted to DKK 2,170 million (DKK 2,256 million) corresponding to a reduction of 3.8% (2.5% measured in local currency). The consolidated operating profit amounted to DKK 256 million (DKK 228 million) resulting in an EBIT margin of 11.8% compared to 10.1% last financial year.

The Group's expectations for the financial year 2017/18 are unchanged compared to the revised earnings forecast as communicated to the market on 24 April 2018.

Financial performance for Q3

	Revenue DKK million		Revenue growth		Operating profit DKK million		EBIT margin	
	Q3 2017/18	Q3 2016/17	Growth in local currency	Reported growth	Q3 2017/18	Q3 2016/17	Q3 2017/18	Q3 2016/17
Peak Performance	308	299	6.1%	3.0%	30	34	9.7%	11.4%
Tiger of Sweden	217	254	(11.9%)	(14.6%)	18	33	8.3%	13.0%
By Malene Birger	84	93	(7.8%)	(9.7%)	4	6	4.8%	6.5%
Other brands	78	92	(14.6%)	(15.2%)	(9)	(2)	(11.5%)	(2.2%)
Reportable segments	687	738	(4.4%)	(6.9%)	43	71	6.3%	9.6%
Unallocated items and eliminations	-	1	n.m	n.m	6	(23)	n.m	n.m
Total	687	739	(4.4%)	(7.0%)	49	48	7.1%	6.5%

Peak Performance has been presented as discontinuing operations as of 31 March 2018. Operating profit after tax of discontinuing operations is presented as a separate item in the income statement under "Profit of discontinuing operations". The comparative figures have been adjusted.

Financial performance of continuing operations for Q3

Segment performance for Q3

- Revenue from Tiger of Sweden for Q3 2017/18 declined by 14.6% (11.9% measured in local currency) to DKK 217 million (DKK 254 million). In particular, the wholesale channel reported revenue declines, but also the retail channel experienced lower revenues. The operating profit amounted to DKK 18 million (DKK 33 million), and the EBIT margin declined to 8.3% (13.0%) as a consequence of a higher cost ratio.
- By Malene Birger generated revenue for Q3 2017/18 of DKK 84 million (DKK 93 million) corresponding to a reduction of 9.7% (7.8% measured in local currency) driven by the wholesale channel whereas revenue from the retail channel increased driven by e-commerce. The operating profit amounted to DKK 4 million (DKK 6 million), and the EBIT margin amounted to 4.8% (6.5%) due to a lower gross margin and a deteriorated cost ratio.
- Revenue from the Group's Other brands decreased by 15.2% (14.6% measured in local currency) to DKK 78 million for Q3 2017/18 (DKK 92 million) driven in particular by Saint Tropez. The operating loss amounted to DKK 9 million (loss of DKK 2 million) resulting in a negative EBIT margin of 11.5% (negative EBIT margin of 2.2%).

Group performance for Q3

- Consolidated revenue amounted to DKK 379 million (DKK 440 million) corresponding to a reduction of 13.9% (11.9% measured in local currency) driven by the wholesale channel as well as physical stores. During Q3 2017/18, the total number of stores was reduced by three.
- The gross profit amounted to DKK 228 million (DKK 266 million), and the gross margin declined by 0.3 percentage points to 60.2% which was attributable to lower margins on sold products.
- Capacity costs declined by DKK 43 million to DKK 209 million compared to Q3 2016/17. This reduction is, inter alia, attributable to the effect of the implemented structural changes during Q3 2016/17. The cost ratio amounted to 55.1% (57.3%). After having adjusted for the non-recurring costs last financial year, the capacity costs declined by DKK 19 million whereas the cost ratio deteriorated by 3.3 percentage points.
- The consolidated operating profit for Q3 2017/18 amounted to DKK 19 million (DKK 14 million) corresponding to an EBIT margin of 5.0% compared to 3.2% for Q3 2016/17. After having adjusted for the above-mentioned non-recurring costs, the EBIT margin deteriorated by 3.6 percentage points.

Financial performance of discontinuing operations for Q3

- Peak Performance generated revenue for Q3 2017/18 of DKK 308 million (DKK 299 million) corresponding to a growth rate of 3.0% (6.1% measured in local currency). The revenue development was driven by the retail channel due to strong e-commerce growth. The operating profit amounted to DKK 30 million (DKK 34 million) corresponding to an EBIT margin of 9.7% (11.4%). The lower margin is primarily attributable to a higher cost level.

Financial performance for Q1-Q3

	Revenue DKK million		Revenue growth		Operating profit DKK million		EBIT margin	
	Q1-Q3 2017/18	Q1-Q3 2016/17	Growth in local currency	Reported growth	Q1-Q3 2017/18	Q1-Q3 2016/17	Q1-Q3 2017/18	Q1-Q3 2016/17
Peak Performance	967	914	7.4%	5.8%	163	144	16.9%	15.8%
Tiger of Sweden	672	763	(10.6%)	(11.9%)	62	94	9.2%	12.3%
By Malene Birger	258	269	(3.0%)	(4.1%)	17	10	6.6%	3.7%
Other brands	272	307	(11.0%)	(11.4%)	(8)	15	(2.9%)	4.9%
Reportable segments	2,169	2,253	(2.4%)	(3.7%)	234	263	10.8%	11.7%
Unallocated items and eliminations	1	3	n.m	n.m	22	(35)	n.m	n.m
Total	2,170	2,256	(2.5%)	(3.8%)	256	228	11.8%	10.1%

Financial performance of continuing operations for Q1-Q3

Segment performance for Q1-Q3

- Revenue from Tiger of Sweden for Q1-Q3 2017/18 declined by 11.9% (10.6% measured in local currency) to DKK 672 million (DKK 763 million) primarily driven by the wholesale channel. The operating profit amounted to DKK 62 million (DKK 94 million), and the EBIT margin thus declined to 9.2% (12.3%) primarily as a consequence of a higher cost ratio.
- By Malene Birger generated revenue for Q1-Q3 2017/18 of DKK 258 million (DKK 269 million) corresponding to a reduction of 4.1% (3.0% measured in local currency) driven by the wholesale channel as a consequence of lower order intake as well as in-season selling whereas e-commerce contributed to growth in the retail channel. The operating profit amounted to DKK 17 million (DKK 10 million), and the EBIT margin improved to 6.6% (3.7%) due to a higher gross margin and a lower cost ratio.
- Revenue from the Group's Other brands decreased by 11.4% (11.0% measured in local currency) to DKK 272 million for Q1-Q3 2017/18 (DKK 307 million) particularly driven by both the wholesale as well as the retail channel of Saint Tropez. The operating loss amounted to DKK 8 million (operating profit of DKK 15 million) resulting in a negative EBIT margin of 2.9% (positive EBIT margin of 4.9%).

Group performance for Q1-Q3

- Consolidated revenue amounted to DKK 1,203 million for Q1-Q3 2017/18 (DKK 1,342 million) corresponding to a reduction of 10.4% (reduction of 9.2% measured in local currency). This reduction was primarily driven by the wholesale channel but also the revenue from the retail channel declined due to lower revenue from physical stores. During Q1-Q3 2017/18, the total number of stores was reduced by twelve.
- The gross profit amounted to DKK 733 million (DKK 806 million) whereas the gross margin increased by 0.8 percentage points to 60.9% which was primarily attributable to improved margins on sold products during H1 2017/18.
- Capacity costs declined by DKK 82 million to DKK 640 million compared to last financial year. This reduction is primarily attributable to the effect of the implemented structural changes during Q3 2016/17. The cost ratio declined to 53.2% (53.8%). After having adjusted for the non-recurring costs in respect of the structural changes of the Group's central functions as well as changes to the management team of Tiger of Sweden last year, the capacity costs declined by DKK 58 million whereas the cost ratio deteriorated by 1.2 percentage points.
- The consolidated operating profit for Q1-Q3 2017/18 amounted to DKK 93 million (DKK 84 million) corresponding to an EBIT margin of 7.7% compared to 6.3% for Q1-Q3 2016/17.

Financial performance of discontinuing operations for Q1-Q3

- Peak Performance generated revenue for Q1-Q3 2017/18 of DKK 967 million (DKK 914 million) corresponding to a growth rate of 5.8% (7.4% measured in local currency). The revenue development was driven by both the wholesale channel as well as the retail channel. The operating profit amounted to DKK 163 million (DKK 144 million) corresponding to an EBIT margin of 16.9% (15.8%). The improved margin is attributable to a higher gross margin whereas the cost ratio increased.

Unchanged outlook for the financial year 2017/18 for the Group as a whole

The expectations for the financial year 2017/18 for the Group as a whole remain unchanged compared to the Company Announcement no. 5/2018 as communicated to the market on 24 April 2018.

Consequently, the Group still expects to realize a minor revenue reduction compared to the financial year 2016/17 measured in local currency while the EBIT margin is expected to amount to approximately 6%.

The expectations for the Group's business units are unchanged. For Peak Performance we still expect a moderate revenue growth but significantly higher earnings compared to 2016/17. For Tiger of Sweden, we expect revenue to decline and earnings to be significantly reduced compared to last financial year. For By Malene Birger, we expect a moderate revenue decline but significant earnings improvement. For Other brands, we expect that the performance in physical retail in Saint Tropez will lead to a significant revenue and earnings decline leading to an earnings deficit for 2017/18.

Investments for the financial year 2017/18 are expected to be in the region of 2-3% of annual revenue.

Outlook for 2017/18	Realized 2016/17 (DKK million)	Original outlook	Current outlook	Status
Revenue growth (local currency)	4.3%	minor revenue reduction	minor revenue reduction	Unchanged
Revenue growth (reported)	3.2%	n.a.	n.a.	Unchanged
EBIT margin	4.5%	approx. 5%	approx. 6%	Unchanged
Investments	3.2%	3-4% of revenue	2-3% of revenue	Unchanged

Divestment of Peak Performance

As communicated in Company Announcement no. 6/2018 dated 30 April 2018, IC Group A/S has entered into an agreement to sell Peak Performance to Amer Sports Corporation. Final closing of the transaction is expected to take place on 30 June 2018 and is subject to customary closing conditions, including approval from the relevant authorities. The selling price amounts to an enterprise value of DKK 1.9 billion.

The net cash proceeds from the divestment are expected to amount to DKK 1.7-1.8 billion (corresponding to DKK 100-105 per share) subject to final adjustment of, i.e., transaction costs, net working capital and certain net debt items. The net proceeds are expected to be distributed to the shareholders as an extraordinary dividend upon final closing of the agreement.

During a transition period of six to twelve months following the completion of the sale, IC Group will continue to provide support and services to Peak Performance on a cost-covered basis.

The impact of the divestment on the future Group strategy

IC Group will continue to operate and invest in the Group's other brands in order to maximize their future values.

IC Group will on a continuous basis consider when it is in the best interest of the shareholders to divest these brands, and IC Group will act accordingly when the time and conditions are favourable for both the shareholders of IC Group and the brands.

Copenhagen, 3 May 2018

IC Group A/S

Alexander Martensen-Larsen
CEO

Information meeting

IC Group will host an information meeting for investors, analysts and other stakeholders on Thursday 3 May 2018 at 10.00 a.m. The information meeting will be held in English via audio cast and telephone, and it will be possible to raise questions online using the chat function or telephone. To participate in the information meeting online, please use the link below which is also available on our corporate website [icgroup.net](https://edge.media-server.com/m6/p/hf7897j6) under Investors/financials/reports/: <https://edge.media-server.com/m6/p/hf7897j6>

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

+45 3515 8121 (Denmark)

+1 646 828 8156 (USA)

+44 (0) 330 336 9411 (UK)

Forward-looking statements

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

This announcement is a translation from the Danish language. In the event of any discrepancy between the Danish and English versions, the Danish version shall prevail.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK million	Q3 2017/18 3 months	Q3 2016/17 3 months	Q1-Q3 2017/18 9 months	Q1-Q3 2016/17 9 months	Year 2016/17 12 months
INCOME STATEMENT ¹⁾					
Revenue	379	440	1,203	1,342	1,714
Gross profit	228	266	733	806	1,001
Operating profit before depreciation and amortization (EBITDA)	33	27	133	122	86
Operating profit (EBIT)	19	14	93	84	24
Net financials	(5)	(2)	(10)	(9)	(3)
Profit for the period before tax	14	12	83	75	21
Profit for the period of continuing operations	11	9	64	58	16
Profit for the period of discontinuing operations	23	27	126	113	76
Profit for the period	34	36	190	171	92
STATEMENT OF FINANCIAL POSITION ²⁾					
Total assets			1,455	1,510	1,393
Average invested capital including goodwill			890	888	772
Net working capital			450	503	318
Total equity			797	852	723
Non-controlling interest			14	11	10
Net interest-bearing debt, end of period			49	98	17
STATEMENT OF CASH FLOW					
Cash flow from operating activities	52	26	100	63	175
Cash flow from investing activities	(16)	(17)	(52)	(57)	(88)
Investments in property, plant and equipment	(12)	(17)	(46)	(53)	(72)
Free cash flow	36	9	48	6	87
Cash flow from financing activities	3	-	(80)	(79)	(79)
Net cash flow for the period	39	9	(32)	(73)	8
KEY RATIOS (%)					
Revenue growth	(13.9)	(1.8)	(10.4)	0.8	(0.8)
Gross margin	60.2	60.5	60.9	60.1	58.4
Cost ratio	55.1	57.3	53.2	53.8	57.0
EBITDA margin	8.7	6.1	11.1	9.1	5.0
EBIT margin	5.0	3.2	7.7	6.3	1.4
Tax rate	23.3	25.0	23.1	22.7	24.0
Return on equity			25.0	21.5	12.2
Equity ratio			54.8	56.4	51.9
Return on invested capital ³⁾			17.2	22.7	16.2
Net working capital in proportion to revenue ⁴⁾			16.9	18.2	11.6
Cash conversion			0.3	-	0.7
Financial gearing			6.1	11.5	2.4
SHARE-BASED RATIOS					
Average number of shares excluding treasury shares, diluted (1,000)	16,648	16,745	16,648	16,733	16,639
Share price, end of period, DKK	140.4	164.5	140.4	164.5	140.0
Earnings per share, DKK	1.9	2.2	11.2	10.0	5.3
Diluted earnings per share, DKK	1.9	2.2	11.2	10.0	5.3
Diluted cash flow per share, DKK	2.8	1.6	6.0	3.8	10.5
Diluted net asset value per share, DKK			47.0	50.2	42.9
Diluted price/earnings, DKK			12.5	16.5	26.4
EMPLOYEES					
Number of employees (calculated as FTEs, end of period)			1,131	1,165	1,186
NUMBER OF STORES (OWN STORES)					
Retail stores			117	122	126
Concessions			43	43	43

1) Comparative figures/key figures in income statement have been adjusted to take into account Peak Performance being presented as discontinuing operations.

2) Statement of financial position includes discontinuing operations.

3) Return on invested capital is calculated as trailing 12 months EBIT's share of invested capital (key figure has not been adjusted to take into account Peak Performance being presented as discontinuing operations).

4) Trailing 12 months revenue (key figure has not been adjusted to take into account Peak Performance being presented as discontinuing operations).

Key ratios have been calculated according to the recommendations set out in "Recommendations & Financial Ratios 2016" issued by the Danish Society of Financial Analysts.

FINANCIAL PERFORMANCE



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

Financial performance of Tiger of Sweden

Revenue in Tiger of Sweden declined by 14.6% (11.9% measured in local currency) for Q3 2017/18 and amounted to DKK 217 million compared to DKK 254 million in Q3 2016/17. The revenue reduction was to a great extent driven by the wholesale channel which reported a revenue decline of 17.1% due to a lower order intake. Revenue from the retail channel decreased by 9.5%, and the same-store revenue declined by 12.2% driven by lower traffic in the physical stores. During Q3 2017/18, the total number of stores was reduced by three.

Revenue for Q1-Q3 2017/18 declined by 11.9% (10.6% measured in local currency) to DKK 672 million primarily as a consequence of lower order intake in the wholesale channel. Revenue from the retail channel declined by 1.4% due to lower traffic in the physical stores as well as a reduced discount level compared to last financial year. The same-store revenue declined by 5.7% driven by physical stores while the e-commerce channel reported growth. During Q1-Q3 2017/18, the total number of stores was reduced by four.

The revenue development for Q3 2017/18 was primarily driven by the Nordic region and Rest of Europe, as was the case during Q1-Q3 2017/18.

The gross margin for Q3 2017/18 was marginally lower compared to last financial year while costs declined. Tiger of Sweden reported costs in respect of changes to the management team of DKK 5 million for Q3 2016/17. After having adjusted for this, costs for Q3 2017/18 were at the same level as last financial year. The cost ratio increased as a consequence of lower revenue compared to Q3 2016/17. The gross margin for Q1-Q3 2017/18 was at the same level as Q1-Q3 2016/17. The cost level declined as costs in respect of changes to the management team of DKK 5 million were reported in Q3 2016/17. After having adjusted for this, costs increased.

The operating profit for Q3 2017/18 amounted to DKK 18 million compared to DKK 33 million for Q3 2016/17 corresponding to an EBIT margin of 8.3% compared to an EBIT margin of 13.0% for Q3 2016/17. The operating profit for Q1-Q3 2017/18 amounted to DKK 62 million (DKK 94 million), and the EBIT margin amounted to 9.2% (12.3%) as a consequence of the higher cost ratio.

DKK million	Q3 2017/18 3 months	Q3 2016/17 3 months	Change, %	Q1-Q3 2017/18 9 months	Q1-Q3 2016/17 9 months	Change, %
Revenue*	217	254	(14.6)	672	763	(11.9)
Wholesale and franchise	141	170	(17.1)	394	481	(18.1)
Retail, e-commerce and outlets	76	84	(9.5)	278	282	(1.4)
Revenue growth in local currency (%)	(11.9)			(10.6)		
Same-store growth (%)	(12.2)			(5.7)		
Operating profit before depreciation and amortization (EBITDA)	22	37	(40.5)	76	106	(28.3)
EBITDA margin (%)	10.1	14.6		11.3	13.9	
Depreciations, amortization and impairment losses	(4)	(4)	-	(14)	(12)	16.7
Operating profit (EBIT)	18	33	(45.5)	62	94	(34.0)
EBIT margin (%)	8.3	13.0		9.2	12.3	

* Revenue from Vinåker Factory Outlet (multibrand outlet) accounted for DKK 27 million in Q3 2017/18 (DKK 28 million) and DKK 116 million in Q1-Q3 2017/18 (DKK 113 million).

Own stores	Number of stores 31 March 2018	Number of stores 31 March 2017	Change	Number of stores 30 June 2017
Retail stores	18	20	(2)	22
Concessions	19	19	-	19
Total	37	39	(2)	41

BY MALENE BIRGER

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

Financial performance of By Malene Birger

Revenue for Q3 2017/18 declined by 9.7% (7.8% measured in local currency) to DKK 84 million (DKK 93 million). This development was driven by the wholesale channel which reported a revenue decline of 14.3% due to lower order intake and in-season selling. By contrast, revenue from the retail channel increased by 4.3% driven by e-commerce. Consequently, the same-store revenue increased by 7.0%. By Malene Birger opened one store in Gothenburg, Sweden, while the store in Paris, France, was closed down during Q3 2017/18.

Revenue for Q1-Q3 2017/18 declined by 4.1% (3.0% measured in local currency) to DKK 258 million (DKK 269 million) as the realized growth in the retail channel was not able to compensate the reduced revenue from the wholesale channel driven by lower order intake and in-season selling. The same-store revenue increased by 12.0% driven by strong growth in the e-commerce channel as well as physical stores.

The revenue decline was driven by the Nordic region whereas revenue from Rest of Europe was at the same level as last financial year. Revenue from outside Europe declined driven by Japan and the Middle East during Q3 2017/18, as was the case during Q1-Q3 2017/18.

In spite of lower discounts in Q3 2017/18, the gross margin declined which is attributable to lower margins on sold products. However, the gross margin for Q1-Q3 was improved as a consequence of lower discounts as well as a larger share of sales through own channels. Costs for Q3 2017/18 declined while the cost ratio increased marginally. Both costs and the cost ratio for Q1-Q3 were lower compared to last financial year.

The operating profit for Q3 2017/18 amounted to DKK 4 million (DKK 6 million) resulting in an EBIT margin of 4.8% (6.5%). During Q1-Q3 2017/18, By Malene Birger generated an operating profit of DKK 17 million (DKK 10 million) and an EBIT margin of 6.6% (3.7%) driven by a higher gross margin as well as a lower cost ratio.

DKK million	Q3 2017/18 3 months	Q3 2016/17 3 months	Change, %	Q1-Q3 2017/18 9 months	Q1-Q3 2016/17 9 months	Change, %
Revenue	84	93	(9.7)	258	269	(4.1)
Wholesale and franchise	60	70	(14.3)	174	192	(9.4)
Retail, e-commerce and outlets	24	23	4.3	84	77	9.1
Revenue growth in local currency (%)	(7.8)			(3.0)		
Same-store growth (%)	7.0			12.0		
Operating profit before depreciation and amortization (EBITDA)	6	8	(25.0)	23	16	43.8
EBITDA margin (%)	7.1	8.6		8.9	5.9	
Depreciations, amortization and impairment losses	(2)	(2)	-	(6)	(6)	-
Operating profit (EBIT)	4	6	(33.3)	17	10	70.0
EBIT margin (%)	4.8	6.5		6.6	3.7	

Own stores	Number of stores 31 March 2018	Number of stores 31 March 2017	Change	Number of stores 30 June 2017
Retail stores	9	10	(1)	9
Concessions	6	6	-	6
Total	15	16	(1)	15

DISCONTINUING OPERATIONS

PeakPerformance®

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

Financial performance of Peak Performance

Peak Performance generated revenue of DKK 308 million for Q3 2017/18 (DKK 299 million) corresponding to an increase of 3.0% (6.1% measured in local currency). Revenue from the wholesale channel declined by 4.6% due to lower order intake. Consequently, growth was driven by the retail channel which reported a revenue increase of 13.7% particularly driven by e-commerce. The same-store revenue increased by 10.3%. During Q3 2017/18, Peak Performance did not open any stores.

Revenue for Q1-Q3 2017/18 increased by DKK 53 million to DKK 967 million corresponding to a growth rate of 5.8% (7.4% measured in local currency) driven by the wholesale channel as well as new stores and increased sales activity in outlets and e-commerce growth. Same-store revenue for Q1-Q3 2017/18 increased by 3.3% driven by strong e-commerce growth. During Q1-Q3 2017/18, Peak Performance opened a total of three stores.

During Q3 2017/18, all markets reported revenue growth while revenue growth for Q1-Q3 2017/18 was mainly driven by the Nordic region.

The gross margin for Q3 2017/18 increased as a consequence of product and channel mix effects while the gross margin for Q1-Q3 2017/18 was improved due to higher margins on sold products. Costs increased which was primarily attributable to the full-year effect from new stores opened as well as higher costs for staff and marketing.

The operating profit for Q3 2017/18 amounted to DKK 30 million (DKK 34 million), and the EBIT margin amounted to 9.7% (11.4%). The operating profit for Q1-Q3 2017/18 improved by DKK 19 million to DKK 163 million, and the EBIT margin increased by 1.1 percentage points to 16.9% which is attributable to an improved gross margin while the cost ratio increased compared to last financial year.

DKK million	Q3	Q3	Change, %	Q1-Q3	Q1-Q3	Change, %
	2017/18 3 months	2016/17 3 months		2017/18 9 months	2016/17 9 months	
Revenue	308	299	3.0	967	914	5.8
Wholesale and franchise	167	175	(4.6)	606	592	2.4
Retail, e-commerce and outlets	141	124	13.7	361	322	12.1
Revenue growth in local currency (%)	6.1			7.4		
Same-store growth (%)	10.3			3.3		
Operating profit before depreciation and amortization (EBITDA)	34	39	(12.8)	178	158	12.7
EBITDA margin (%)	11.0	13.0		18.4	17.3	
Depreciations, amortization and impairment losses	(4)	(5)	(20.0)	(15)	(14)	7.1
Operating profit (EBIT)	30	34	(11.8)	163	144	13.2
EBIT margin (%)	9.7	11.4		16.9	15.8	

Own stores	Number of stores	Number of stores	Change	Number of stores
	31 March 2018	31 March 2017		30 June 2017
Retail stores	50	45	5	47
Concessions	1	1	-	1
Total	51	46	5	48

The Group

Revenue

Consolidated revenue of continuing operations for Q3 2017/18 amounted to DKK 379 million (DKK 440 million) corresponding to a reduction of 13.9% (11.9% measured in local currency). This development was primarily driven by the wholesale channel due to lower order intake across all Group brands as well as reduced revenue from physical stores while revenue from e-commerce increased significantly. Revenue from the wholesale channel amounted to DKK 252 million compared to DKK 298 million last financial year corresponding to a reduction of 15.4%. Revenue from the retail channel declined by 9.9% to DKK 127 million (DKK 141 million). The same-store revenue declined by 11.1%. During Q3 2017/18, the number of stores was reduced by three. Consolidated revenue of continuing operations for Q1-Q3 2017/18 amounted to DKK 1,203 million (DKK 1,342 million) corresponding to a reduction of 10.4% (9.2% measured in local currency). This reduction was primarily driven by the wholesale channel, in particular attributable to Tiger of Sweden, however, the retail channel also reported lower revenues due to reduced revenue from physical stores. The same-store revenue for Q1-Q3 2017/18 declined by 5.8% as the e-commerce growth was not able to compensate for the negative development in the physical stores, in particular in Saint Tropez.

During Q1-Q3 2017/18, the number of stores closed in continuing operations amounted to twelve of which the main part was Saint Tropez stores.

Gross profit

The gross profit of continuing operations for Q3 2017/18 decreased by DKK 38 million to DKK 228 million, and the gross margin deteriorated by 0.3 percentage points to 60.2%. The development was primarily attributable to lower margins on sold products.

The gross profit for Q1-Q3 2017/18 amounting to DKK 733 million compared to DKK 806 million reported last financial year while the gross margin was improved by 0.8 percentage points to 60.9%. This positive development was driven by higher margins on sold products during H1 2017/18.

Capacity costs

Capacity costs of continuing operations for Q3 2017/18 decreased by DKK 43 million to DKK 209 million which is partly attributable to cost savings as a consequence of the implemented structural changes during Q3 2016/17 together with the actual structural changes and changes to the management team of Tiger of Sweden which resulted in non-recurring costs of DKK 24 million during Q3 2016/17. After having adjusted for these non-recurring costs, the cost ratio increased to 55.1% compared to 51.8% last financial year which is attributable to the revenue reduction.

Capacity costs of continuing operations for Q1-Q3 2017/18 amounted to DKK 640 million corresponding to a reduction of DKK 82 million. After having adjusted for the above-mentioned non-recurring costs, the reduction amounted to DKK 58 million. The main part of the reduction is attributable to the above-mentioned structural changes. Adjusted for non-recurring costs, the cost ratio increased by 1.2 percentage points to 53.2%.

Operating profit (EBIT)

Consolidated operating profit of continuing operations for Q3 2017/18 amounted to DKK 19 million compared to DKK 14 million for Q3 2016/17 corresponding to an EBIT margin of 5.0% compared to 3.2% for the same period last financial year. However, after having adjusted for these non-recurring costs, the EBIT margin deteriorated by 3.6 percentage points due to the development of the cost ratio.

Consolidated operating profit of continuing operations for Q1-Q3 2017/18 amounted to DKK 93 million (DKK 84 million) corresponding to an EBIT margin of 7.7% compared to 6.3% for the same period last financial year. However, after having adjusted for non-recurring costs, the EBIT margin declined by 0.3 percentage points from 8.0%.

Profit for the period of continuing operations

Consolidated profit of continuing operations for Q3 2017/18 amounted to DKK 11 million (DKK 9 million). Consolidated profit of continuing operations for Q1-Q3 2017/18 amounted to DKK 64 million (DKK 58 million).

Profit for the period of discontinuing operations

Consolidated profit of discontinuing operations for Q3 2017/18 amounted to DKK 23 million (DKK 27 million). Consolidated profit of discontinuing operations for Q1-Q3 2017/18 amounted to DKK 126 million (DKK 113 million). For further information, please see page 8 as well as note 5.

Net working capital

As at 31 March 2018, the working capital amounted to DKK 450 million corresponding to a decline of DKK 53 million compared to the same period last financial year driven by lower inventories primarily as a consequence of adjusting the amount of products on stock as well as lower purchases. This decline was partly offset by higher trade receivables attributable to timing as well as lower trade payables due to, among others, reduced inventories. The working capital constituted 16.9% of the trailing twelve months revenue compared to 18.2% for the same period last financial year.

Statement of cash flows

Cash flow from operating activities for Q1-Q3 2017/18 amounted DKK 100 million which is an improvement of DKK 37 million compared to the same period last financial year. The development is primarily attributable to the lower tied-up working capital. Cash flow from investing activities amounted to an outflow of DKK 52 million (an outflow of DKK 57 million). Investments have mainly been placed in existing stores as well as in the Group's Logistics function. Consolidated free cash flow thus amounted to DKK 48 million (DKK 6 million).

Changes in equity and equity ratio

Equity as at 31 March 2018 amounted to DKK 797 million (30 June 2017: DKK 723 million). This development was primarily driven by a combination of profit for the period as well as declared dividend. Subsequently, the equity ratio as at 31 March 2018 amounted to 54.8% (30 June 2017: 51.9%).

CONSOLIDATED INCOME STATEMENT

Note	DKK million	Q3 2017/18 3 months	Q3 2016/17 3 months	Q1-Q3 2017/18 9 months	Q1-Q3 2016/17 9 months	Year 2016/17 12 months
4	Revenue	379	440	1,203	1,342	1,714
	Cost of sales	(151)	(174)	(470)	(536)	(713)
	Gross profit	228	266	733	806	1,001
	Other external costs	(90)	(106)	(278)	(318)	(437)
	Staff costs	(106)	(133)	(323)	(366)	(478)
	Other operating income	1	-	1	-	-
	Operating profit before depreciation and amortization (EBITDA)	33	27	133	122	86
	Depreciation, amortization and impairment losses	(14)	(13)	(40)	(38)	(62)
	Operating profit (EBIT)	19	14	93	84	24
	Financial income	-	1	9	-	3
	Financial costs	(5)	(3)	(19)	(9)	(6)
	Profit before tax of continuing operations	14	12	83	75	21
	Tax on profit for the period of continuing operations	(3)	(3)	(19)	(17)	(5)
	Profit for the period of continuing operations	11	9	64	58	16
5	Profit for the period of discontinuing operations	23	27	126	113	76
	Profit for the period	34	36	190	171	92
	Profit allocation:					
	Shareholders of IC Group A/S	35	37	186	167	89
	Non-controlling interests	(1)	(1)	4	4	3
	Profit for the period	34	36	190	171	92
	Earnings per share, DKK	1.9	2.2	11.2	10.0	5.3
	Diluted earnings per share, DKK	1.9	2.2	11.2	10.0	5.3
	Earnings per share of continuing operations, DKK	0.6	0.6	3.7	3.2	0.8
	Diluted earnings per share of continuing operations, DKK	0.6	0.6	3.7	3.2	0.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	DKK million	Q3 2017/18 3 months	Q3 2016/17 3 months	Q1-Q3 2017/18 9 months	Q1-Q3 2016/17 9 months	Year 2016/17 12 months
	Profit for the period	34	36	190	171	92
	OTHER COMPREHENSIVE INCOME					
	<i>Items to be reclassified to the income statement when certain conditions are met:</i>					
	<i>Hedging transactions:</i>					
	Fair value adjustments, gain/loss on financial instruments related to cash flow hedges	(4)	(20)	(8)	27	(18)
	Reclassification to income statement, gains/loss on financial instruments related to realized cash flow hedges	(4)	5	(6)	(8)	(11)
	Tax on hedging transactions which may be reclassified to the income statement	1	4	3	(4)	6
	<i>Foreign currency translation adjustments:</i>					
	Foreign currency translation adjustments, foreign subsidiaries and intercompany loans	(5)	1	(20)	5	(6)
	Actuarial adjustments	-	-	-	-	1
	Other comprehensive income after tax	(12)	(10)	(31)	20	(28)
	Total comprehensive income	22	26	159	191	64
	Allocation of comprehensive income for the period:					
	Shareholders of IC Group A/S	23	27	155	187	61
	Non-controlling interests	(1)	(1)	4	4	3
	Total	22	26	159	191	64

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	DKK million	31 March 2018	31 March 2017	30 June 2017
	ASSETS			
	NON-CURRENT ASSETS			
	Intangible assets	142	251	246
	Property, plant and equipment	108	148	149
	Financial assets	11	21	22
	Deferred tax	51	51	61
	Total non-current assets	312	471	478
	CURRENT ASSETS			
6	Inventories	187	361	394
7	Trade receivables	256	401	277
	Tax receivable	35	62	49
	Other receivables	52	61	32
	Prepayments	45	76	94
8	Cash and cash equivalents	37	78	69
		612	1,039	915
5	Assets held-for-sale	531	-	-
	Total current assets	1,143	1,039	915
	TOTAL ASSETS	1,455	1,510	1,393

Note	DKK million	31 March 2018	31 March 2017	30 June 2017
	EQUITY AND LIABILITIES			
	EQUITY			
	Share capital	171	171	171
	Reserve for hedging transactions	(20)	29	(9)
	Translation reserve	(88)	(57)	(68)
	Retained earnings	720	698	619
	Equity attributable to shareholders of the Parent Company	783	841	713
	Equity attributable to non-controlling interests	14	11	10
	Total equity	797	852	723
	LIABILITIES			
	Retirement benefit obligations	-	8	8
	Deferred tax	7	11	7
	Provisions	4	7	11
	Other liabilities	3	-	-
	Total non-current liabilities	14	26	26
8	Current liabilities to credit institutions	119	176	86
	Trade payables	102	151	276
	Tax payable	17	48	10
	Other liabilities	204	208	223
	Provisions	13	49	49
		455	632	644
5	Liabilities related to assets held-for-sale	189	-	-
	Total current liabilities	644	632	644
	Total liabilities	658	658	670
	TOTAL EQUITY AND LIABILITIES	1,455	1,510	1,393

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK million	Share Capital	Reserve for hedging transactions	Translation reserve	Retained earnings	Proposed dividend	Equity owned by shareholders of ICG A/S	Equity owned by non-controlling interests	Total equity
Equity at 1 July 2017	171	(9)	(68)	534	85	713	10	723
Profit for the period	-	-	-	186	-	186	4	190
Other comprehensive income after tax	-	(11)	(20)	-	-	(31)	-	(31)
Total comprehensive income	-	(11)	(20)	186	-	155	4	159
Transactions with owners:								
Dividend of treasury shares	-	-	-	-	(2)	(2)	-	(2)
Dividend paid	-	-	-	-	(83)	(83)	-	(83)
Changes in equity during the period	-	(11)	(20)	186	(85)	70	4	74
Equity at 31 March 2018	171	(20)	(88)	720	-	783	14	797

DKK million	Share Capital	Reserve for hedging transactions	Translation reserve	Retained earnings	Proposed dividend	Equity owned by shareholders of ICG A/S	Equity owned by non-controlling interests	Total equity
Equity at 1 July 2016	171	14	(62)	525	85	733	7	740
Profit for the period	-	-	-	167	-	167	4	171
Other comprehensive income after tax	-	15	5	-	-	20	-	20
Total comprehensive income	-	15	5	167	-	187	4	191
Transactions with owners:								
Dividend of treasury shares	-	-	-	-	(2)	(2)	-	(2)
Dividend paid	-	-	-	-	(83)	(83)	-	(83)
Share-based payments	-	-	-	2	-	2	-	2
Exercise of warrants ¹⁾	-	-	-	4	-	4	-	4
Changes in equity during the period	-	15	5	173	(85)	108	4	112
Equity at 31 March 2017	171	29	(57)	698	-	841	11	852

DKK million	Shares
DEVELOPMENT IN TREASURY SHARES	
Treasury shares at 1 July 2017	442,572
Treasury shares at 31 March 2018	442,572

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Note	DKK million	Q3 2017/18 3 months	Q3 2016/17 3 months	Q1-Q3 2017/18 9 months	Q1-Q3 2016/17 9 months	Year 2016/17 12 months
	CASH FLOW FROM OPERATING ACTIVITIES					
	Operating profit, continuing operations	19	14	93	84	24
	Operating profit, discontinuing operations	30	34	163	144	101
	Operating profit	49	48	256	228	125
	Other adjustments	3	30	21	81	124
	Change in working capital	6	(33)	(132)	(190)	(9)
	Cash flow from ordinary operating activities	58	45	145	119	240
	Financial income received	-	1	2	3	4
	Financial costs paid	(1)	(1)	(3)	(4)	(5)
	Cash flow from operating activities	57	45	144	118	239
	Tax paid	(5)	(19)	(44)	(55)	(64)
	Total cash flow from operating activities	52	26	100	63	175
	CASH FLOW FROM INVESTING ACTIVITIES					
	Investments in intangible assets	(2)	-	(5)	(6)	(17)
	Investments in property, plant and equipment	(12)	(17)	(46)	(53)	(72)
	Change in other financial assets	(2)	-	(1)	2	1
	Total cash flow from investing activities	(16)	(17)	(52)	(57)	(88)
	Total free cash flow	36	9	48	6	87
	CASH FLOW FROM FINANCING ACTIVITIES					
	Other liabilities	3	-	3	-	-
	Dividends paid	-	-	(83)	(83)	(83)
	Exercise of warrants	-	-	-	4	4
	Total cash flow from financing activities	3	-	(80)	(79)	(79)
	NET CASH FLOW FOR THE PERIOD	39	9	(32)	(73)	8
	CASH AND CASH EQUIVALENTS					
	Cash and cash equivalents, beginning of period	(88)	(107)	(17)	(25)	(25)
	Net cash flow for the period	39	9	(32)	(73)	8
	Cash and cash equivalents, end of period	(49)	(98)	(49)	(98)	(17)

DKK million	31 March 2018	31 March 2017	30 June 2017
<i>Cash and cash equivalents in the statement of cash flows comprise:</i>			
Cash	84	78	69
Current liabilities to credit institutions	(133)	(176)	(86)
Cash and cash equivalents, cf. statement of cash flows	(49)	(98)	(17)

NOTES

1. Accounting policies

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

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

As communicated in Company Announcement no. 6/2018 dated 30 April 2018, IC Group A/S has entered into an agreement to sell Peak Performance to Amer Sports Corporation. Final closing of the transaction is expected to take place on 30 June 2018 and is subject to customary closing conditions, including approval from the relevant authorities. Consequently, the assets relating to Peak Performance are now presented as discontinuing operations as of 31 March 2018. Operating profit after tax of discontinuing operations is presented as a separate item in the income statement under "Profit for the period of discontinuing operations" with adjusted comparative figures. Assets and related liabilities of discontinuing operations are presented as separate items under "Assets held-for-sale" and "Liabilities related to assets held-for-sale" in the statement of financial position without adjusted comparative figures. For further information, please see note 5.

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

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

Furthermore, IASB has issued IFRS 16 "Leases" which is effective for annual periods beginning on or after 1 January 2019 and which has been adopted by the EU on 31 October 2017. IC Group is currently assessing the impact of this new standard but has already assessed that particularly the lease terms will have an impact on the income statement, cash flow as well as statement of financial position when lease assets and lease liabilities are recognized. We refer to the Annual Report 2016/17 (chapter 1) for a detailed description.

Significant accounting estimates and assumptions

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

2. Seasonality

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

3. Fair value measurement

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

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

DKK million		31 March 2018		31 March 2017		30 June 2017	
	Item	Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
	Unlisted shares and bonds	-	8	-	8	-	8
	Financial assets at fair value recognized through the income statement	-	8	-	8	-	8
	Financial assets used for hedging purposes	47	-	45	-	21	-
	Financial liabilities used for hedging purposes	72	-	8	-	32	-

Financial assets include DKK 8 million in respect of assets held-for-sale.

No transfers between the levels of the fair value hierarchy have taken place during Q1-Q3 2017/18.

4. Segment information

Business segments

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

As mentioned in note 1, the financial performance in respect of Peak Performance is classified as discontinuing operations. Please see note 5 for further information.

Unallocated items and eliminations

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

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

DKK million	Tiger of Sweden Q3 2017/18 3 months	By Malene Birger Q3 2017/18 3 months	Premium brands Q3 2017/18 3 months	Other brands Q3 2017/18 3 months	Continuing operations, total Q3 2017/18 3 months	Dis-continuing operations Q3 2017/18 3 months	Group, total Q3 2017/18 3 months
Total revenue	217	84	301	78	379	308	687
Wholesale and franchise	141	60	201	51	252	167	419
Retail, e-commerce and outlets	76	24	100	27	127	141	268
Growth compared to 2016/17 (%)	(14.6)	(9.7)	(13.3)	(15.2)	(13.7)	3.0	(6.9)
Growth in local currency compared to 2016/17 (%)	(11.9)	(7.8)	(10.8)	(14.6)	(11.6)	6.1	(4.4)
Operating profit/loss before depreciation and amortization (EBITDA)	22	6	28	(7)	21	34	55
EBITDA margin (%)	10.1	7.1	9.3	(9.0)	5.5	11.0	8.0
Depreciations, amortization and impairment losses	(4)	(2)	(6)	(2)	(8)	(4)	(12)
Operating profit/loss (EBIT)	18	4	22	(9)	13	30	43
EBIT margin (%)	8.3	4.8	7.3	(11.5)	3.4	9.7	6.3
Reconciliation of segment information of continuing operations							
Operating profit (EBIT), reportable segments					13		
Unallocated items and eliminations					6		
Operating profit (EBIT)					19		
Financial income					-		
Financial costs					(5)		
Profit before tax					14		
Tax on profit for the period					(3)		
Profit for the period					11		

DKK million	Tiger of Sweden Q3 2016/17 3 months	By Malene Birger Q3 2016/17 3 months	Premium brands Q3 2016/17 3 months	Other brands Q3 2016/17 3 months	Continuing operations, total Q3 2016/17 3 months	Dis-continuing operations Q3 2016/17 3 months	Group, total Q3 2016/17 3 months
Total revenue	254	93	347	92	439	299	738
Wholesale and franchise	170	70	240	58	298	175	473
Retail, e-commerce and outlets	84	23	107	34	141	124	265
Growth compared to 2015/16 (%)	(2.3)	(4.1)	(2.8)	2.2	(1.8)	13.3	3.8
Growth in local currency compared to 2015/16 (%)	(1.8)	(4.0)	(2.4)	1.9	(1.5)	13.6	4.1
Operating profit before depreciation and amortization (EBITDA)	37	8	45	-	45	39	84
EBITDA margin (%)	14.6	8.6	13.0	-	10.3	13.0	11.4
Depreciations, amortization and impairment losses	(4)	(2)	(6)	(2)	(8)	(5)	(13)
Operating profit/loss (EBIT)	33	6	39	(2)	37	34	71
EBIT margin (%)	13.0	6.5	11.2	(2.2)	8.4	11.4	9.6
Reconciliation of segment information of continuing operations							
Operating profit (EBIT), reportable segments					37		
Unallocated items and eliminations					(23)		
Operating profit (EBIT)					14		
Income from investments in associates							
Financial income					1		
Financial costs					(3)		
Profit before tax					12		
Tax on profit for the period					(3)		
Profit for the period					9		

DKK million	Tiger of Sweden Q1-Q3 2017/18 9 months	By Malene Birger Q1-Q3 2017/18 9 months	Premium brands Q1-Q3 2017/18 9 months	Other brands Q1-Q3 2017/18 9 months	Continuing operations, total Q1-Q3 2017/18 9 months	Dis-continuing operations Q1-Q3 2017/18 9 months	Group, total Q1-Q3 2017/18 9 months
Total revenue	672	258	930	272	1,202	967	2,169
Wholesale and franchise	394	174	568	166	734	606	1,340
Retail, e-commerce and outlets	278	84	362	106	468	361	829
Growth compared to 2016/17 (%)	(11.9)	(4.1)	(9.9)	(11.4)	(10.2)	5.8	(3.7)
Growth in local currency compared to 2016/17 (%)	(10.6)	(3.0)	(8.4)	(11.0)	(9.2)	7.4	(2.4)
Operating profit before depreciation and amortization (EBITDA)	76	23	99	(3)	96	178	274
EBITDA margin (%)	11.3	8.9	10.6	(1.1)	8.0	18.4	0.1
Depreciations, amortization and impairment losses	(14)	(6)	(20)	(5)	(25)	(15)	(40)
Operating profit/loss (EBIT)	62	17	79	(8)	71	163	234
EBIT margin (%)	9.2	6.6	8.5	(2.9)	5.9	16.9	10.8
Reconciliation of segment information of continuing operations							
Operating profit (EBIT), reportable segments					71		
Unallocated items and eliminations					22		
Operating profit (EBIT)					93		
Financial income					9		
Financial costs					(19)		
Profit before tax					83		
Tax on profit for the period					(19)		
Profit for the period					64		

DKK million	Tiger of Sweden Q1-Q3 2016/17 9 months	By Malene Birger Q1-Q3 2016/17 9 months	Premium brands Q1-Q3 2016/17 9 months	Other brands Q1-Q3 2016/17 9 months	Continuing operations, total Q1-Q3 2016/17 9 months	Dis-continuing operations Q1-Q3 2016/17 9 months	Group, total Q1-Q3 2016/17 9 months
Total revenue	763	269	1,032	307	1,339	914	2,253
Wholesale and franchise	481	192	673	177	850	592	1,442
Retail, e-commerce and outlets	282	77	359	130	489	322	811
Growth compared to 2015/16 (%)	1.1	(2.9)	-	3.4	0.8	10.7	4.5
Growth in local currency compared to 2015/16 (%)	2.4	(1.7)	1.3	3.4	1.8	11.6	5.6
Operating profit before depreciation and amortization (EBITDA)	106	16	122	20	142	158	300
EBITDA margin (%)	13.9	5.9	11.8	6.5	10.6	17.3	13.3
Depreciations, amortization and impairment losses	(12)	(6)	(18)	(5)	(23)	(14)	(37)
Operating profit (EBIT)	94	10	104	15	119	144	263
EBIT margin (%)	12.3	3.7	10.1	4.9	8.9	15.8	11.7
Reconciliation of segment information of continuing operations							
Operating profit (EBIT), reportable segments					119		
Unallocated items and eliminations					(35)		
Operating profit (EBIT)					84		
Financial income					-		
Financial costs					(9)		
Profit before tax					75		
Tax on profit for the period					(17)		
Profit for the period					58		

DKK million	Q3 2017/18 3 months	Q3 2016/17 3 months	Q1-Q3 2017/18 9 months	Q1-Q3 2016/17 9 months
Segment revenue (reportable segments)	379	439	1,202	1,339
Unallocated items and eliminations	-	1	1	3
Total revenue, cf. income statement	379	440	1,203	1,342

5. Discontinuing operations and assets classified as held-for-sale

Discontinuing operations

DKK million	Q3 2017/18 3 months	Q3 2016/17 3 months	Q1-Q3 2017/18 9 months	Q1-Q3 2016/17 9 months	Year 2016/17 12 months
Revenue	308	299	967	914	1,035
Cost of sales	(155)	(154)	(460)	(451)	(517)
Gross profit	153	145	507	463	518
Other external costs	(71)	(64)	(194)	(184)	(237)
Staff costs	(48)	(42)	(134)	(121)	(162)
Other operating costs	-	-	(1)	-	-
Operating profit before depreciation and amortization (EBITDA)	34	39	178	158	119
Depreciation, amortization and impairment losses	(4)	(5)	(15)	(14)	(18)
Operating profit (EBIT)	30	34	163	144	101
Financial income	-	-	2	3	5
Financial costs	-	-	(1)	(2)	(5)
Profit before tax	30	34	164	145	101
Tax on profit for the period	(7)	(7)	(38)	(32)	(25)
Profit for the period of discontinuing operations	23	27	126	113	76
Earnings per share of discontinuing operations, DKK	1.3	1.6	7.5	6.8	4.5
Diluted earnings per share of discontinuing operations, DKK	1.3	1.6	7.5	6.8	4.5

Cash flow from discontinuing operations

DKK million	Q3 2017/18 3 months	Q3 2016/17 3 months	Q1-Q3 2017/18 9 months	Q1-Q3 2016/17 9 months	Year 2016/17 12 months
Statement of cash flow:					
Cash flow from operating activities	117	42	118	24	34
Cash flow from investing activities	-	(8)	(18)	(24)	(31)
Cash flow from financing activities	-	-	-	-	-
Total cash flow	117	34	100	-	3

Assets and liabilities classified as held-for-sale

DKK million	31 March 2018	31 March 2017	30 June 2017
Intangible assets	84	-	-
Property, plant and equipment	40	-	-
Other non-current assets	23	-	-
Inventories	82	-	-
Trade receivables	163	-	-
Other current receivables	92	-	-
Cash and cash equivalents	47	-	-
Assets classified as held-for-sale	531	-	-
Other non-current liabilities	8	-	-
Trade payables	28	-	-
Other current liabilities	139	-	-
Current liabilities to credit institutions	14	-	-
Liabilities related to assets classified as held-for-sale	189	-	-

6. Inventories

DKK million	31 March 2018	31 March 2017	30 June 2017
Raw material and consumables	32	43	40
Finished goods and goods for resale	177	363	346
Goods in transit	10	12	98
Total inventories, gross	219	418	484
Changes in inventory write-downs for the period:			
Write-downs at 1 July	90	57	57
Write-downs for the period, addition (recognized in the income statement)	32	22	56
Write-downs for the period, reversals (utilized)	(64)	(22)	(23)
Transferred to assets held-for-sale	(26)	-	-
Total inventory write-downs	32	57	90
Total inventories, net	187	361	394
Write-downs (%)	15	14	19

7. Trade receivables

DKK million	31 March 2018	31 March 2017	30 June 2017
Not yet due	201	345	220
Due, 1-60 days	38	31	37
Due, 61-120 days	3	6	4
Due more than 120 days	14	19	16
Total trade receivables, net	256	401	277
Change in trade receivables write-downs for the period:			
Write-downs at 1 July	29	26	26
Change in write-downs for the period	(4)	7	11
Realized loss for the period	(5)	(2)	(8)
Transferred to assets held-for-sale	(7)	-	-
Total write-downs	13	31	29

8. Net interest-bearing debt

DKK million	31 March 2018	31 March 2017	30 June 2017
Net interest-bearing debt comprises:			
Current liabilities to credit institutions	119	176	86
Liabilities to credit institutions related to assets held-for-sale	14	-	-
Interest-bearing debt, gross	133	176	86
Cash	37	78	69
Cash concerning assets held-for-sale	47	-	-
Net interest-bearing debt	49	98	17

9. Events after the reporting period

As communicated in Company Announcement no. 6/2018 dated 30 April 2018, IC Group A/S has entered into an agreement to sell Peak Performance to Amer Sports Corporation. Final closing of the transaction is expected to take place on 30 June 2018 and is subject to customary closing conditions, including approval from the relevant authorities. The selling price amounts to an enterprise value of DKK 1.9 billion.

The net cash proceeds from the divestment are expected to amount to DKK 1.7-1.8 billion (corresponding to DKK 100-105 per share) subject to final adjustment of, i.e., transaction costs, net working capital and certain net debt items. The net proceeds are expected to be distributed to the shareholders as an extraordinary dividend upon final closing of the agreement.

During a transition period of six to twelve months following the completion of the sale, IC Group will continue to provide support and services to Peak Performance on a cost-covered basis.

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

STATEMENT BY THE MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the interim report of IC Group A/S for the period 1 July 2017 – 31 March 2018. This interim financial report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU, cf. chapter on accounting policies and additional Danish disclosure requirements for interim reports of listed companies. This interim report is unaudited and has not been reviewed by the Group's auditors.

In our opinion, we consider the applied accounting policies to be appropriate to the effect that this interim report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2018 and of the results of the Group's operations and cash flows for the period 1 July 2017 – 31 March 2018.

Furthermore, we consider the Management Commentary (on page 1-9) to give a true and fair review of the development of the Group's operations and financial affairs, profit for the period and of the Group's financial position for the period as a whole as well as a description of the most significant risks and uncertainty factors that the Group is facing.

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

Copenhagen, 3 May 2018

The Executive Board:

ALEXANDER MARTENSEN-LARSEN
CEO

The Board of Directors:

PETER THORSEN
Chairman

HENRIK HEIDEBY
Deputy Chairman

NIELS ERIK MARTINSEN
Board Member

MICHAEL HAUGE SØRENSEN
Board member

JÓN BJÖRNSSON
Board member

CONNY KALCHER
Board member

CORPORATE INFORMATION

IC GROUP'S CORPORATE INFORMATION

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

SUPPLEMENTARY GROUP AND SEGMENT DATA

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

FINANCIAL CALENDAR



28 August
2018

INVESTOR RELATIONS CONTACT

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