

Van de Velde

PRESS RELEASE
17.02.2012

VAN DE VELDE: ANNUAL RESULTS 2011

- **RISE IN CONSOLIDATED TURNOVER OF 8.1%**
- **EBITDA RISES 2.8%**
- **GROUP PROFIT RISES 3.0%**
- **PROPOSED DIVIDEND OF €2.15 PER SHARE**

1. CONSOLIDATED KEY FIGURES 2011

This financial report publishes the consolidated figures for the full year 2011 (in accordance with IFRS) including and excluding Rigby & Peller ('R&P').

Including R&P means that the holding in R&P is recognized in accordance with the full consolidation method at 87% (starting August 2011), the remaining 13% accounted for as non-controlling interests.

As a result of the business combination with R&P, the intangible assets increased by €6.7m (£5.9m) based on the valuation of the R&P brand and concept, and goodwill was recognised to the value of €1.7m (£1.5m).

The figures excluding R&P are not audited and are provided for information purposes only (pro forma figures) to enable comparison with 2010.

Consolidated key figures	31.12.2011		31.12.2010	% incl. R&P	% excl. R&P
	Including R&P	Excluding R&P			
INCOME STATEMENT (IN €M)					
Turnover	179.8	176.3	166.3	8.1%	6.0%
Other operating income	4.7	4.7	4.2	12.7%	12.7%
Cost of materials	(44.6)	(43.3)	(38.9)	14.5%	11.1%
Other expenses	(47.6)	(46.6)	(44.4)	7.2%	4.8%
Personnel expenses	(38.5)	(37.4)	(34.8)	10.8%	7.7%
Operating profit before depreciation and amortization ("EBITDA") ⁽¹⁾	53.8	53.7	52.3	2.8%	2.6%
Depreciation and amortization	(4.3)	(4.2)	(6.0)	(27.6%)	(29.8%)
EBIT or operating profit	49.4	49.5	46.3	6.8%	6.8%
Financial result	4.8	4.8	6.2	(22.4%)	(22.4%)
Share of profit of associates	0.2	0.2	0.1	358.5%	358.5%
Profit before taxes	54.5	54.5	52.6	3.7%	3.7%
Income taxes	(13.4)	(13.5)	(12.6)	6.3%	6.5%
Profit for the period attributable to non-controlling interests	(0.1)	(0.1)	(0.1)	88.4%	23.2%
Profit for the period attributable to the owners of the company	41.2	41.1	40.0	3.0%	2.9%

⁽¹⁾ EBITDA equals operating profit increased with depreciation and amortization on fixed intangible and tangible assets.

MARIE JO
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Consolidated key figures	31.12.2011		31.12.2010	% incl. R&P	% excl. R&P
	Including R&P	Excluding R&P ⁽¹⁾			
BALANCE SHEET (IN €M)					
Fixed assets	103.9	102.7	89.0	16.7%	15.4%
Current assets	96.6	94.7	92.9	4.0%	2.0%
Total assets	200.4	197.4	181.9	10.2%	8.5%
Shareholders' equity	168.1	168.0	153.6	9.4%	9.3%
Non-controlling interest	9.0	8.3	8.1	11.2%	2.3%
Non-current liabilities	2.9	2.6	3.3	(12.2%)	(21.4%)
Current liabilities	20.4	18.6	16.9	21.0%	10.1%
Total equity and liabilities	200.4	197.4	181.9	10.2%	8.5%
KEY FIGURES IN € PER SHARE					
EBITDA	4.06	4.05	3.96	2.6%	2.4%
Profit for the period attributable to the owners of the company	3.11	3.10	3.03	2.7%	2.6%

⁽¹⁾ Investment in R&P is accounted for as a shareholding instead of a business combination.

2. REPORT OF THE STATUTORY AUDITOR ON THE ANNUAL INFORMATION AT 31 DECEMBER 2011

The statutory auditor has issued an unqualified opinion on the consolidated financial statements. The accounting figures in this release are consistent with the figures in the consolidated financial statements.

3. NOTES TO THE CONSOLIDATED KEY FIGURES

TURNOVER GROWTH IN 2011

Van de Velde's organic growth, excluding the retail turnover of Intimacy and R&P, rose 2.2%. This growth is due to:

- 1.9% growth in the wholesale business. This growth is primarily attributable to a positive price effect, growth within Sarda and the rising market share of Van de Velde brands within Intimacy.
- 28% growth at Oreia. Store-to-store turnover growth at the Oreia stores in Germany was 10%.

When retail turnover at Intimacy (full year 2011 versus 8 months in 2010) and R&P (5 months in 2011) is taken into account, Van de Velde's consolidated turnover was €179.8m, a rise of 8.1% versus 2010:

- For the full year 2011 Intimacy generated turnover of \$38.4m, a rise of 8.1% versus 2010. Turnover growth within Intimacy was exclusively due to the opening of new stores.
- For the period August-December R&P generated turnover of £3.8m.

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EBITDA ROSE 2.8%

Consolidated EBITDA rose 2.8% to €53.8m:

- The rise in EBITDA is primarily attributable to the slight rise in gross margin due to a favourable price and exchange rate effect. In 2012 the gross margin will be a little lower, as the full effect of the rise in costs first noticed in 2011 (primarily labour costs in China) will be felt in 2012.
- The rise in the gross margin in 2011 is in part negatively offset by a rise in fixed costs to support growth (e.g. marketing, sales organisation, IT infrastructure).
- Intimacy generated stand-alone EBITDA of \$0.4m versus \$1.4m in 2010. This is primarily due to a fall in turnover on a store-to-store basis and a rise in fixed costs.

MINORITY STAKES AND FINANCIAL CHARGES

The financial profit was €1.4m lower in 2011 than in 2010:

- In 2010 the financial profit included non-recurring revenue of €4.3m as a result of the full consolidation of Intimacy. Financial profit in 2011 includes non-recurring revenues to a total value of €3.9m:
 - Capital gain of €2.0m for full accelerated payment of CDO Fulham
 - Adjustment of outstanding balances between Van de Velde and the minority shareholders of Intimacy in the amount of €1.9m.
- Other elements within financial profit (exchange results and interest and dividend income) were €1.0m lower than in 2011.

The profit recognized under the equity method is primarily due to the contribution of Top Form (after adjustment for dividends paid). The contribution of Top Form is based on the change in shareholders' equity for the period 1/7/2010 – 30/6/2011. On 12 January 2012 Top Form published a profit warning for the period 1/7/2011 – 31/12/2011, stating that Top Form expects a negative result for this period compared to a positive result in the previous year.

PROFIT FOR THE PERIOD

The group profit rose from €40.0m to €41.2m (+3.0%) and profit per share rose from €3.03 to €3.11.

CASH POSITION

The cash position at the end of 2011 was €41.2m.

4. DIVIDEND

For the financial year 2011 the Board of Directors will propose to the General Meeting of Shareholders the same dividend as in 2010, i.e. €2.1500 per share (net dividend of €1.6125 per share). This means a pay-out ratio of approximately 70%.

The remaining financial sources (including cash position) allow all necessary investments to be made that protect the competitiveness of the company.

5. EVENTS AFTER BALANCE SHEET DATE

The Joint Venture with Private Shop is operational since 3 January 2012. Van de Velde contributed cash and knowledge (total contribution valued at \$3.0m) for 50% of the shares of the Joint Venture and settled an amount of \$1.5m (first part of milestone payments) for the acquisition of a number of intangible assets and a distribution agreement.

6. PROSPECTS FOR 2012

- Given the relatively high percentage of direct retail turnover (R&P, Intimacy) it will be more difficult to make precise forecasts from now on.
- The trend in wholesale turnover is rather steady in 2012.
- Retail developments:
 - In 2012 there will be a phased conversion of Oreia to Rigby & Peller in Germany and Spain. We expect growth in the organic turnover of these stores, as well as in the number of stores.
 - Intimacy experienced a tough 2011 and must return to turnover growth in every store. Van de Velde will take over operational management from the minority shareholders in May 2012 and has a clear vision on profitability improvement. 18 or 19 stores will be open by the end of 2012.
 - Rigby & Peller will consolidate its position in London and is expected to continue its expansion beyond London from the autumn.

7. FINANCIAL CALENDAR

Annual report 2011	No later than 11 April 2012
Q1 2012 interim statement	25 April 2012 after end of trading
2011 General Meeting	25 April 2012
Ex-coupon date	2 May 2012
Record date	4 May 2012
Payment dividend	7 May 2012
H1 2012 turnover figures	5 July 2012 before start of trading
2012 half-year results	24 August 2012 before start of trading
Q3 2012 interim statement	16 November 2012 before start of trading

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8. CONTACTS

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9. VAN DE VELDE

Van de Velde NV is a leading player in the luxury and fashionable women's lingerie sector. Van de Velde is convinced of the merits of a long-term strategy based on developing and expanding brands around the Lingerie Styling concept (fit, style and fashion), especially in Europe and North America.

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