

Van de Velde

PRESS RELEASE
24.08.2012

TURNOVER DEVELOPMENTS FIRST HALF-YEAR

Turnover grew in the first half-year of 2012 by 0.9% (from €97.9m to €98.7m).

On a like-for-like basis (including like-for-like deliveries and excluding retail turnover of Rigby & Peller UK), consolidated turnover fell by 2.8%. This turnover development consists of three components:

- A 3.0% fall in wholesale turnover. This trend is fairly general, with the exception of North America, the UK and part of Scandinavia. Within the core markets, the fall in turnover is limited in Germany.
- A fall in retail turnover at Intimacy by around 10% in local currency and 1.5% in euro. Van de Velde took over operational management of Intimacy since 1 May 2012 and has implemented a plan that is expected to start growing turnover in early 2013.
- In Europe, retail turnover at Rigby & Peller (formerly Oreia) rose by over 8% due to the opening of new stores in Germany and Spain.

The contribution of retail turnover at Rigby & Peller in the UK was £4.5m (€5.5m). This represents growth of around 4.5% on a store-to-store basis compared with the previous year.

EBITDA DEVELOPMENTS FIRST HALF-YEAR

EBITDA for the first half-year (€31.3m) was around 7.8% lower than in the same period last year (€34.0m):

- A fall in wholesale turnover combined with a slightly lower gross margin compared with last year, primarily due to the rise in stitching costs in China.
- A rise in a number of recently implemented costs promoting growth, such as sales costs and costs related to the expansion of the retail organisation.

Other fixed costs are a little lower than in the same period last year.

FINANCIAL RESULT

On a like-for-like basis the financial result was a little higher than in the same period last year. However, an exceptional result of €2.9m (US\$3.8m) was recognised in the first half-year of 2012 as a consequence of a revision of the price paid for a 35.1% shareholding in Intimacy (transaction in April 2010). The final price will be determined at the beginning of 2013. Based on a best estimate a receivable from the selling party (the minority shareholder) has been raised by €2.9m (US\$3.8m) to €6.6m (US\$8.3m).

MINORITY PARTICIPATIONS

There was a downturn in the contribution of the minority participations (result on the basis of the equity method), which is due to Top Form:

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- Top Form issued a profit warning on 3 July 2012. On 24 August 2012 Top Form announced preliminary financial data with regard to the size of the annual loss (1 July 2011-30 June 2012).
- Van de Velde has already recognised the full share of this loss in the half-year figures (€2.0m). Top Form has a negative impact on the profit before taxes of €1.7m (including dividend in financial income).
- The Board of Directors of Van de Velde will decide whether further impairment of the participating interest in Top Form is needed in the course of 2012 based on further developments at Top Form.

PROFIT FOR THE PERIOD

The sum of the above components results in net profit of €22.6m, which entails a fall of 8% compared with the same period last year (€24.6m).

PROSPECTS

2012 continues to be tough and we cannot confirm consolidated turnover growth yet.

Van de Velde continues to invest additional resources in marketing and sales programmes and retail.

Based on the above, Van de Velde also expects 2012 EBITDA to fall in line with the fall during the first half of the year.

INTERIM FINANCIAL REPORT

The interim financial report (including regulated information and the report of the statutory auditor on the half year information) is available through [this link](#).

A number of key figures are presented below and explained more fully in the financial report:

Financial key figures		
Profit and loss statement (in m€)	30.06.2012	30.06.2011
Turnover	98.7	97.9
Ebitda (operating profit plus depreciation)	31.3	34.0
Ebit or operating profit	28.6	31.8
Profit before taxes	30.1	33.0
Profit for the period	22.6	24.6
Balance sheet (in m€)	30.06.2012	31.12.2011
Fixed assets	116.2	103.9
Current assets	79.2	96.5
Total assets	195.4	200.4
Shareholders' equity	167.9	168.1
Non-controlling interest	5.2	9.0
Non-current liabilities	6.1	2.9
Current liabilities	16.1	20.4
Total equity and liabilities	195.4	200.4
Key figures in € per share	30.06.2012	30.06.2011
Basic earnings per share	1.70	1.86



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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 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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